FRANCHISE DISCLOSURE DOCUMENT

LINE-X FRANCHISING LLC
(a California limited liability company)
301 James Record Road, Suite 250
Huntsville, Alabama 35824
(800) 831-3232
www.linex.com
www.ownalinex.com

We offer for sale a franchise to operate a business that applies LINE-X brand polyurethane and polyurea based spray-on coatings that cover and protect truck beds and other light industrial products, and sells truck accessories, including TRUCK GEAR by LINE-X™, an exclusive accessory line.

The total investment necessary to begin operation of a LINE-X Franchised Business ranges from $126,055 to $377,722. This amount includes $52,613 to $107,835, which must be paid to the Franchisor or an affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 Lori Rigsby, Franchise Sales, LINE-X Franchising LLC, at 301 James Record Road, Suite 250, Huntsville, Alabama 35824, at (877) 330-1331, and at lrigsby@linex.com

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission. 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: February 18, 2021

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 Alabama. 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 Alabama than in your own state.

2. **Health Warning**. The chemicals used in the catalytic process may cause sensitivity for people with asthma or other respiratory ailments. Direct contact may cause skin irritation. You should check with a doctor before purchasing this franchise.

3. **Inventory Control**. You must make inventory and supply purchases at a specific level each month, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.

4. **Supply and Price of Chemicals Volatile**. The supply and price of oil and oil-based products such as the chemicals used in the catalytic process for our brand coatings are volatile. As a result, the supply and price of the chemicals used in the catalytic process for the LINE-X brand coating may fluctuate if the supply decreases and if the demand increases. This may decrease the revenue and profit of the operation of the business.

5. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

6. **Investment Exceeds Equity**. You will be required to make an estimated initial investment ranging from $126,055 to $377,722. This amount exceeds the franchisor's member's equity as of September 30, 2020, which is reported to be a deficit of ($856,526).

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.

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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 Franchising LLC. To simplify the language in this Franchise Disclosure Document "we," "us," "our," "Franchisor" or "LINE-X" means the Franchisor, LINE-X Franchising LLC, a California 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 California on December 17, 2008. Our current principal business address is 301 James Record Road, Suite 250, Huntsville, Alabama 35824. We do business under the name LINE-X Franchising LLC or in some cases, simply as "LINE-X".

Parents and Predecessors

Our predecessor, LINE-X Franchise Development Corporation ("LFDC") was incorporated in California on March 3, 1999. 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 and our parent. 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 on the same date.

LINE-X LLC is now our parent and shares our principal business address. In the merger, LINE-X LLC ("Licensor") acquired all of the LINE-X® intellectual property assets and has granted us a license to franchise the LINE-X marks and system. LINE-X LLC does not currently own or operate a LINE-X business similar to the franchise offered in this disclosure document.

LINE-X LLC is a wholly owned subsidiary of IXS Intermediate Holdings LLC (formerly known as LINE-X Intermediate Holdings LLC), a Delaware limited liability company formed on May 14, 2012, which is a wholly owned subsidiary of Innovative XCessories & Services LLC (formerly known as New LINE-X Holdings LLC), a Delaware limited liability company, also formed on May 14, 2012, which is a wholly owned subsidiary of IXS Holdings, Inc., a Delaware corporation formed on July 29, 2014. IXS Holdings, Inc. was a wholly owned subsidiary of Olympus Growth Fund VI, L.P., a Delaware limited partnership, formed on January 11, 2013, until March 5, 2020, when IXS Holdings, Inc. was acquired by Ignition Intermediate, Inc., a Delaware corporation formed on January 15, 2020 and a wholly owned subsidiary of Ignition Holdings, L.P., a Delaware limited partnership formed on February 28, 2020. Ignition Holdings, L.P. is a wholly owned 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 indirect parent entities, Ignition Intermediate, Inc., IXS Intermediate Holdings LLC, Innovative XCessories & Services LLC, and IXS Holdings, Inc. share our principal business address at 301 James Record Road, Suite 250, Huntsville, Alabama 35824. The principal address of our ultimate parents, Ignition Holdings, L.P. and Clearlake Capital Group L.P., is 233 Wilshire Blvd., Suite 800, Santa Monica, California 90401.

On February 4, 2014, our former indirect parents LINE-X Intermediate Holdings LLC and New LINE-X Holdings LLC changed their names to IXS Intermediate Holdings LLC and Innovative XCessories & Services LLC, respectively.

On August 21, 2014, our previous ultimate parent LINE-X Holdings, L.P., a Delaware limited partnership formed on July 26, 2005, whose general partner was LINE-X Holdings GP, LLC, a Delaware limited liability company formed on July 19, 2005, sold our indirect parent, Innovative XCessories & Services LLC (formerly LINE-X Intermediate Holdings LLC) to IXS Holdings, Inc.

We list our agents for service of process in **Exhibit A**.

Our Business Activities and the Franchises to be Offered

We grant franchises for the establishment and operation of businesses specializing in the application of LINE-X® brand spray-on protective coatings on truck beds and other in-store light industrial applications. The businesses also sell truck accessories, including Truck Gear by LINE-X™, an exclusive accessory line (collectively, the "System"). The distinguishing characteristics of the System include procedures and techniques for marketing and applying LINE-X® brand spray-on protective coatings; the sale of Truck Gear by LINE-X™ truck accessories; use of the LINE-X® Marks (the "Marks"); the LINE-X Confidential Operations Manual (the "Manual"); uniform operating methods, procedures and techniques; methods and techniques for recruiting, hiring and training employees, inventory, cost controls, record keeping and reporting, personnel management, purchasing, sales promotion, and marketing and advertising, all of which may be changed, improved and further developed by Licensor or us from time to time. We call this the "Franchised Business."

We grant franchises for the operation of a single LINE-X franchised business at a single location ("LINE-X Store") within a defined territory using the Franchise Agreement attached to this Disclosure Document as **Exhibit B**.

We may, but are not required to, offer certain franchisees specialized training and certification, under the terms of a Mobile Applicator Agreement, to apply LINE-X brand coatings to surfaces away from the Premises, including, but not limited to, decks, foundations, retaining walls, roofs, boat hulls, ramps, cargo holds, silos, feed containers, storage tanks, playground equipment and trailers for horses and boats and other watercraft. You may not apply LINE-X brand coatings away from the Premises unless you have been approved, completed the required specialty training, and executed a Mobile Applicator Agreement. If you have executed a Mobile Applicator Agreement and would like to apply LINE-X brand coatings to any other surfaces than those listed above, we highly recommend you contact us first and receive our approval and guidance.

As an integral part of the Franchised Business, we, our parent, or an affiliate will sell you proprietary polyurethane and polyurea based products and other chemicals developed by Licensor which are the core ingredient of the LINE-X brand coatings that you spray or apply (the "Coating Products"). Our training, equipment ("Designated Equipment"), and the System are designed around our proprietary products, including, but not limited to, LINE-X® brand coatings and TRUCK GEAR by LINE-X™ (collectively, the "LINE-X Products"). We typically do not charge a royalty. One or more of our affiliates generates income from the sale of LINE-X Products to you. If you purchase other products or use non-approved products in connection with the Franchised Business, you will tarnish the Marks, you will defeat the economic purpose of the Franchise Agreement, and you will be in breach of the Franchise Agreement.

The Franchised Business targets its services to the general public and to businesses that have light industrial products which have been approved by us for the application of the Coating Products. These products have typically included decks, 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 spray truck beds on their own or hire third parties to spray the truck beds before delivery to dealers. The Franchised Business will

compete with other local businesses, as well as local, regional or national chains of businesses offering 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 and independent total service businesses. We and our affiliates may also compete in this market by operating businesses that offer LINE-X brand (or any other brand) products and services, including businesses that specialize in the automotive and truck accessory aftermarket industry, but excluding the operation of a LINE-X Store located in your designated territory. We believe the market for the application of polyurethane coatings on truck beds and other light industrial products is developed but is evolving as more applications are brought in-house by manufacturers, and new applications to replace them are developed by LINE-X, competitors and others.

Our predecessor LFDC offered franchises for LINE-X Businesses since April 1999. Neither we nor our predecessors have offered franchises in any other line of business. Our parent, LINE-X LLC, has never offered franchises for sale, nor have our indirect parents.

We have been offering franchises for sale since January 7, 2009. Our other business activities include industrial coatings and Paxcon (military and blast mitigation) applications used by the United States Military in coating items such as, ballistic panels, ballistic body armor, gun mounts and battery trays in Humvees. We do research to identify alternative uses for our coatings products. New uses may or may not be appropriate for the Franchised Business and may or may not be made available to franchisees in our sole discretion.

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 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. Neither we, nor our predecessor or parent offered licenses for businesses similar to the LINE-X Business or in any other business.

On September 28, 2009, we entered into a Cancellation Agreement with Northwest Urethane, Inc. ("NWU"), our 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 us. As part of the Cancellation Agreement and related agreements, NWU no longer acts as the subfranchisor in the NWU Territory, but does provide shipping and warehousing services 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, we 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 us.

On February 12, 2010, we 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 indirect parent, 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 indirect parent, LINE-X Intermediate Holdings LLC 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 (formerly LINE-X 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 indirect parent, LINE-X 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 fiscal year 2020 and two after our fiscal year 2020 ended but prior to the Issuance Date of this disclosure document. 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 retails stores. Its principal business address is 301 James Record Road, Suite 250, Huntsville, Alabama 35824. It does not offer or sale franchises in any line of business.

On December 20, 2017, our indirect parent, IXS Intermediate Holdings, LLC, acquired Ameraguard Holdings, LLC ("Ameraguard") and Ultimate Linings, LLC ("Ultimate Linings"), both Texas limited liability companies. 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. Ultimate Linings and Ameraguard both sell 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 offered under this disclosure document.

Ultimate Linings' current principal business address is 10301 Round Up Lane, Houston, Texas 77064. 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 or sale franchises in any line of business.

Ameraguard's current principal business address is 3221 Lawnwood St., Fort Worth, Texas 76111. Ameraguard is a supplier of specially formulated polyurea/polyurethane coatings and equipment that it sells through dealers throughout North America to primarily manufacturing and industrial customers, including oil and gas companies. It has never and does not offer or 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 laws and regulations and various health,

sanitation, safety and fire standards. 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 examine these and other laws before purchasing a franchise.

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.

ITEM 2 BUSINESS EXPERIENCE

BOARD OF MANAGERS

Manager and Chief Executive Officer: James D. Scott

Mr. Scott has served on our Board of Managers and our parent LINE-X LLC's Board of Managers since August 21, 2014. He is also our CEO and has held that position since May 2015. On August 3, 2014, he became the CEO of our indirect parent IXS Holdings, Inc. He has been a Member of the Board of Directors for IXS Holdings, Inc. since July 2015. Since February 1988, he has held the position of President for our affiliate Ground Effects LTD. All positions listed here for Mr. Scott are located in Windsor, Ontario, Canada.

Manager and President: Barry J. McConway

Mr. McConway has served on our Board of Managers and been our President since March 2020. He is also the Executive Vice President of our indirect parent IXS Intermediate Holdings, LLC and the Vice President of our affiliate Ultimate Linings, LLC and has held those positions since December 2017 and April 2008, respectively. All positions listed here for Mr. McConway are located in Houston, Texas.

Manager and Chief Financial Officer: Marcus Hamilton

Mr. Hamilton has served on our Board of Managers and has been our CFO since June 2020. He also serves on the Board of Managers and is the CFO for our parent LINE-X LLC and serves as the CFO for our indirect parent IXS Intermediate Holdings, LLC, and has held those positions since June 2020. 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

Executive Vice President of Operations: George S. Lezon

Mr. Lezon has been our Executive Vice President of Operations since December 2008, at our headquarters in Huntsville, Alabama. From April 2007 to November 2008, he was Vice President of Operations for our predecessor LFDC, located in Santa Ana, California and Huntsville, Alabama.

Secretary and Vice President of Finance: Loyal O. Hartman III

Mr. Hartman has been our Secretary and Vice President of Finance since April 2020. He also serves as Vice President of Finance for our parent LINE-X LLC and has held that position since April 2020. From April 2012 to April 2020, he was the Finance Director for our parent LINE-X LLC. All positions listed here for Mr. Hartman are located in Huntsville, Alabama.

Senior Vice President of Product Development: Isidor (Terry) Pe

Mr. Pe has been our Senior Vice President of Product Development since July 1, 2018, in our Huntsville, Alabama office. From January 7, 2014 to June 30, 2018, he was our Vice President of Product Development, in Huntsville, Alabama. Prior to that, he was our Director of Product Development from July 2010 to January 2014, located in Santa Ana, California. From January 2007 to June 2010, he held the position of Senior Product Development Associate for us and our predecessor LFDC, in Santa Ana, California.

Vice President of Franchise Operations: Samantha C. Styger

Ms. Styger has been our Vice President of Franchise Operations since July 9, 2018. From December 2014 to July 2018, she was our Director of Franchise Operations and, from March 2013 to December 2014, she was a District Manager for us. All positions listed here for Ms. Styger are located in Huntsville, Alabama.

ITEM 3 LITIGATION

Franchisor Initiated Litigation:

Pending Actions:

LINE-X LLC and LINE-X Franchising LLC v. Christopher W. Tefft, an individual, DBA LINE-X of the Desert, and LINE-X of the Desert, LLC. On August 24, 2020, in the United States District Court for the Central District of California, Eastern Division [Case No. 5:20-cv-01707-RGK (SHKx)], we and our parent LINE-X LLC, who is the owner of the LINE-X trademarks, filed an action alleging breach of contract, trademark infringement, trade dress infringement, and unfair competition, and are seeking declaratory relief and monetary damages against the former franchisee Christopher W. Tefft, d/b/a LINE-X of the Desert, and LINE-X of the Desert, LLC (collectively, the "Defendants"). On June 30, 2020, we terminated our franchise agreement (the "Franchise Agreement") with the Defendants for cause. We requested a trial by jury. On September 17, 2020, we filed a Motion for Preliminary Injunction seeking to enjoin the Defendants from continuing to use the LINE-X trademarks. A hearing on the matter was scheduled for October 19, 2020 but was vacated because Defendants did not respond to the complaint. The Court entered default against the Defendants on October 29, 2020, and we filed an application for Default Judgment against Defendants on December 14, 2020. On January 11, 2021, the Court decided that a decision without oral argument was appropriate and our application is under submission with the Court. We are currently waiting for the Court to rule on the motion and enter judgment.

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

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

LINE-X Franchised Businesses

The Initial Franchise Fee for a single LINE-X Store is typically $30,000. We will reduce the Initial Franchise Fee to $20,000 for a second LINE-X Store and $15,000 for a third and any additional LINE-X Stores thereafter if you are an existing franchisee in good standing. If you are converting an existing coating business to a LINE-X Store, the Initial Franchise Fee will be reduced to $20,000. The Initial Franchise Fee will be reduced to $15,000 if your LINE-X Store is located in a small market area with a population under 60,000. The Initial Franchise Fee will be reduced to $10,000 if you are an existing

franchisee in good standing and wish to establish an additional LINE-X Store in a small market area with a population under 60,000.

U.S. Military Veterans may qualify for a special program that offers a 25% discount (up to $7,500) off the Initial Franchise Fee. (See below for details on the U.S. Military Veterans Program.)

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 $7,500.

Except as provided above, 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 refund the initial franchisee fee, less expenses we incur in providing site selection assistance to you and other expenses we incur, in an amount not to exceed $10,000.

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 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 $10,000.

Different Initial Franchise Fees

We may reduce the Initial Franchise Fee if and when we determine it is warranted by a unique or compelling situation or under special programs, as mentioned above. In the past year, we have sold franchises for an Initial Franchise Fee ranging from $10,000 to $30,000.

Territory Deposit

If you would like us to hold a particular territory for you up to 60 days or until you sign the Franchise Agreement, we will accept a refundable deposit equal to 50% of the Initial Franchise Fee to hold the territory (the “Territory Deposit”). When you sign the Franchise Agreement, we will apply the Territory Deposit to the Initial Franchise Fee due for the LINE-X Store. If you decide not to purchase a franchise, we will refund the Territory Deposit up to 60 days from our receipt of it. After 60 days, the Territory Deposit is not refundable.

Equipment Package

In addition to the Initial Franchise Fee, you must purchase an Equipment Package before your Franchised Business opens, as described in Items 7 and 8, from our parent, LINE-X LLC. The cost of the Equipment Package ranges from $38,013 to $67,468. The cost of the Equipment Package is non-refundable. Please see **Exhibit J** for the Equipment Package List.

Initial Inventory of Coating Products

You must purchase a minimum initial inventory of the Coating Products before your Franchised Business opens. You will purchase this product from us or LINE-X LLC. The cost of your initial inventory of Coating Products will range from $4,600 to $10,367. The cost of the minimum "Standard" Initial Inventory of Coating Products is $4,600 and is described in Items 7 and 8. The cost of the Initial Inventory of Coating Products is non-refundable. Please see **Exhibit K** for the Initial Inventory List of Coating Products.

ITEM 6 OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fees[1]	Typically, none. In certain situations, we may charge 5% or 12% (For details, see Note 1, below.)	Monthly	
LINE-X Brand Coatings, Chemicals, and Equipment [2]	Approximately $3,500 per month. (Includes 925 pounds per month at approximately $3.43 per pound for our most popular product)	Monthly	You are required to purchase coatings and proprietary chemicals from us, or an affiliate. We provide nearly 250 chemicals, additives, catalysts, activators, parts, equipment and other related products that you will need to spray coatings.
TRUCK GEAR by LINE-X truck accessories	Varies, depending upon the amount and type of accessories purchased	As incurred	You will purchase these proprietary truck accessories from our approved supplier's web-based program. Currently, our approved supplier is Keystone.
Marketing Fund	Either: (i) $.10 - $.20 per pound of Coating Products purchased from us, or (ii) 1% -5% of Gross Volume	Payable at the same time and in the same manner as you pay for Coating Products or monthly if based on Gross Volume.	You must be in Good Standing to receive benefits of programs and materials created by the Marketing Fund.

Name of Fee	Amount	Due Date	Remarks
Local Advertising	5% of Gross Volume.[3]	Quarterly	We recommend that you spend at least this amount on local advertising and promotion of the Store each quarter. You pay directly to local suppliers.
Advertising Co-Ops	Co-op Assessments	When levied	We have the right to enforce payments. Amounts may vary. Each company-owned unit and franchisee-owned unit shall have 1 vote.
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 advertising contributions and amounts due for purchases from us.
Supplier / Supplies Approval	Reasonable cost of inspection and actual cost of test not to exceed $2,000	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	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	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Transfer Fee	$10,000	At the time of transfer	We may reduce this fee if the transfer is made under compelling circumstances (e.g., internal family transfer.)
Renewal Fee	Not Applicable		Not Applicable
Additional Training	$500 per day plus expenses	Time of service	Additional training 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.

Name of Fee	Amount	Due Date	Remarks
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	Upon settlement or conclusion of claim or 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 changes or modifications to the System.	Time of modification	You will make these expenditures as we require to comply with modifications to the System. Payable to suppliers.

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.** We typically do not charge a royalty on the revenue that you generate from spraying and selling the LINE-X Products. We generate income from the sale of LINE-X Products to you. 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. We will charge you a royalty of five percent (5%) on the revenue you generate from the use of any non-LINE-X coating product.

If you use and/or obtain Designated Equipment, products and/or services from any source other than the source we require, (or if such restrictions are unenforceable for any reason,) we may terminate this Agreement, or we may require you to pay us a royalty of twelve percent (12%) of the Gross Volume 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. "Gross Volume" means all revenues (including the proceeds from any Business Interruption insurance) derived, directly or indirectly, from all business conducted upon, from or in connection with the Franchised Business.

We may in the future decide to decrease the cost of LINE-X Products sold to you and charge you a royalty instead to generate income.

[2] **Coatings, Chemicals and Equipment**. We offer nearly 250 chemicals, additives, catalysts, activators parts, equipment and related products, ranging in price from $1.50 per pound to $18.18 per pound. Our most popular chemical, the XS-100 A & B sell for $3.43 per pound, and you are required to purchase at least 925 pounds per month per 100,000 population in your territory to meet minimum performance standards. 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 reserve the right to change our prices to respond to fluctuations in commodity prices, the price of oil, scarcity, and other factors that may affect our manufacturing or distribution costs.

[3] **Gross Volume**. The term "Gross Volume" means all revenues (including the proceeds from any Business Interruption insurance) derived, directly or indirectly, from all business conducted upon, from or in connection with the Franchised Business.

[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)	$50,000.00 (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) Such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 6 of the Franchise Agreement.

(vii) 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 each occurrence and a $2,000,000 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, and, on any renewal of such insurance while the Franchise Agreement is in effect.

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 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.

[5] **Upgrades and Maintenance.** We may change or modify the System that is presently identified by the Marks including, the adoption and use of new or modified Marks or copyrighted materials, including brand conversion for the application of the LINE-X brand spray-on coatings. You may be responsible for any reasonable conversion costs.

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ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE [1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee [2]	$10,000 - $30,000	Lump Sum, in cash or certified check.	On signing of the Franchise Agreement.	Us
Initial Training Expenses [3]	$1,000 - $2,500	As arranged	As incurred	Transportation carriers, hotel facilities, etc.
Real Estate [4]	$11,667 - $30,000	As arranged	As incurred	Landlord
Leasehold Improvements [5]	$3,500 - $15,000	As arranged	As incurred	Approved Suppliers
Insurance[6]	$450 - $2,000	As arranged	Before Opening Your Business	Insurance Carrier
Utilites[7]	$500 - $1,500	As arranged	As incurred	Utility Suppliers
Vehicles[8]	$1,000 - $30,000	As arranged	As arranged	Approved Suppliers
Graphics Package [9] (Includes Interior and Exterior Signage)	$5,000 - $34,000	As arranged	As incurred	Approved Supplier and/or Us or Our Affiliate
Licenses and Permits[10]	$500 - $1,500	As arranged	As arranged	Local, State or Federal Government
Office Equipment/Supplies[11]	$1,475 - $6,120	As arranged	As incurred	Us or Approved Suppliers
Initial Inventory of Coating Products[12]	$4,600 - $10,367	As required	Before Opening Your Business	Us or Our Affiliate
Opening Advertising[13]	$2,000 - $3,000	As required	First 3 months of operation	Vendors
Uniforms[14]	$250 - $500	As arranged	As arranged	Approved Suppliers
Equipment Package[15]	$38,013 - $67,468	As arranged	Before Opening Your Business	Us or Our Affiliate
Additional Equipment[16]	$4,100 - $12,267	As arranged	As arranged	Approved Suppliers
Application Booth[17]	$10,000 - $70,000	As arranged	Before opening	Approved Suppliers
Shop Tools[18]	$5,000	As arranged	As arranged	Us or Approved Suppliers
Inventory of TRUCK GEAR[19]	$2,000 -$6,500	As arranged	As arranged	Approved Supplier
Additional Funds – 3 months[20]	$25,000 - $50,000	As arranged	As incurred	Employees, vendors, utilities
TOTAL ESTIMATED INITIAL INVESTMENT [21]	**$126,055 - $377,722**			

Note: All amounts are non-refundable unless otherwise noted.

Notes to Table:

[1] General. The initial investment table shows certain expenditures required to establish and operate a Traditional LINE-X Store. Note that these amounts may vary widely, and the amounts you have to spend or invest may be higher or lower than the estimated amounts, depending on location, marketing conditions and other factors. We strongly recommend that you verify actual costs in your area, and for your intended location, and prepare a business plan and have it reviewed by your own independent accountant, before making any commitments to us or anyone else. Due to legal restrictions, we will not prepare, review or comment on any business plan for a prospective Franchisee.

All amounts payable to us are nonrefundable, unless otherwise noted. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any. These figures are estimates of the range of your initial costs in the first 3 months of operation only. Leasing and financing are available for many of the above expenses. Other than our parent, LINE-X LLC offering financing on certain upgraded equipment, as described in Item 10, we do not offer direct or indirect financing, but we may assist you in obtaining working capital through other sources. See Items 5 and 6, and other parts of this Disclosure Document, for more information regarding Initial Franchise Fees and other costs.

[2] Initial Franchise Fee. The Initial Franchise Fee for a single LINE-X Store is typically $30,000. This fee will be reduced if you purchase an additional LINE-X Store, are converting an existing coating business, are in a small market area, or qualify for our U.S. Military Veteran's program. Please see Item 5 for more details on the Initial Franchise Fee and the requirements to qualify for a reduced fee.

[3] Initial Training Expenses. The initial training program for you and one other person is included in the Initial Franchise 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.

[4] Real Estate. The high end of the initial investment represents a lease rate of $15 per year per square foot for 6,000 square feet of space. The low end represents the lease rate of $10 per year per square foot for a 3,500 square-foot space. You may also be required to pay a security deposit equal to a month's rent. The estimate covers 3 month's rent and 1 month's rent as a security deposit.

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.

[5] 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.

[6] Insurance. Insurance costs can vary widely and may be more than shown here. The range disclosed is for 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.

[7] Utility Deposits. A utility deposit will be required only if you are a new customer of the utility company.

[8] Vehicles. You are required to have a pickup truck that is no older than 7 years and 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 a graphics package for use on your pickup truck, as described in Note 9, below.

[9] Graphics Package. The Graphics Package includes interior and 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 wall coverings, the welcome counter, flooring, menu board, and product displays. The cost of your signage may be more or less, and depends on the size, type and method of installation you choose.

[10] 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.

[11] Office Equipment/Supplies. There is a range of expenses that will be incurred when purchasing office equipment and related supplies. Both the low-end and the high-end numbers represent a straight purchase of all supplies and equipment. The equipment will include a computer, QuickBooks Pro accounting software, a fax machine and telephone system.

[12] Initial Inventory of Coating Products. The Initial Inventory of Coating Products includes one 55-gallon drum of component A; one 55-gallon drum of component B Black; one 1-gallon can of premium ISO; one 1-gallon can of premium resin; one 5-gallon can of Black POP Pigment; 2 Platinum 5-gallon sets; and 2 primers kits. Additional materials are included in the higher-end Equipment Package.

[13] Grand Opening Expenses. We recommend that you spend a minimum of $2,000 to promote the opening of your LINE-X Store, but we do not require it.

[14] Uniforms. The range of costs covers the expense to acquire uniforms.

[15] Equipment Package. The low-end of the range represents the amount we charge for the initial basic Equipment Package which includes: one high pressure proportioning unit, 2 enhanced solid-state heaters, one 50-foot heated dual hose with a 10-foot heated whip, one high pressure air purge impingement spray gun, and more as listed in the detailed Equipment Package in Exhibit J. Additional items and materials are included in the higher-end Equipment Packages.

[16] Additional Equipment. This equipment is not included in the Equipment Package. You may purchase from us or a local supplier. You will need to purchase one 7.5 horsepower air compressor and a refrigerated air dryer delivering 25 -27 cubic feet per minute of dry continuous air at 110 psi.

[17] Application Booth. You may be required by OSHA Standards to install an application booth in which to provide the spray-on bedliner. All franchisees are required to utilize an application booth, although the type (e.g., 2-sided, 4-sided, or fully enclosed) may vary according to local regulations. You may purchase your application booth from a vendor you choose or from our approved supplier, or you may wish to build an application booth yourself.

[18] Shop Tools. You must purchase your shop tools from us or approved suppliers. The basic automotive tools you will need for your LINE-X Franchised Business include the following: Air hose, tape measures, wrenches, trash container, wire cutters, grinder, utility knife, work bench, drill with bits, drum truck, sockets, pliers, screw drivers, socket set, extension cords, and more.

[19] Inventory of TRUCK GEAR. This range covers your initial inventory of TRUCK GEAR by LINE-X. This is the range you will need to spend on TRUCK GEAR accessories for display items and opening stock on the TRUCK GEAR lifestyle products. The accessories include tonneau covers, Expedition coolers, drop steps, ratcheting tie-down kits, jump-starter power bank, oval step bars, crossover toolboxes and more.

[20] Additional Funds. This is an estimate of certain funds needed to cover your business (not personal) expenses during the first three months of operation of your LINE-X Business. It includes payroll costs but not any draw or salary for you. This amount is an estimate and we cannot guarantee that you will not have additional costs in operating your Franchised Business. Your cost will depend upon your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; competition and sales of your Franchised Business during the period.

You will need capital to support on-going costs of your business, such as taxes, loan payments and other expenses, to the extent that revenues do not cover business costs. New businesses (franchised or not) often have larger expenses than revenues.

In addition, the estimates presented relate only to costs associated with the franchised business and do not cover any personal, "living," unrelated business or other expenses you may have.

We relied on the combined business experience of our predecessor LFDC since 1999, the experience of its affiliate BUC, and our business experience since our formation in 2008, to compile this estimate. The availability and terms of financing to you will depend upon factors such as the availability of financing in general, your credit-worthiness, the collateral security that you may have, and policies of lending institutions concerning the type of business you operate. This estimate does not include any finance charge, interest, or debt service obligation.

[21] Total Estimated Initial Investment. All of the above figures are estimates of certain initial start-up expenses. The total listed above does not include compensation for your time or labor or any return on your investment. Your costs will vary depending on such factors as: how closely you follow the LINE-X System; your management and marketing skills, experience and general business ability; and local and general economic conditions, including disposable income. In preparing the figures in this chart, we relied on the combined experience of our executive officers in the polyurethane and polyurea based spray-on coatings business.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Before you begin operations, you must purchase an Equipment Package from our parent, LINE-X LLC. The Equipment Package consists of equipment and supplies necessary for you to provide spray-on bedliners. LINE-X LLC (i) is the only approved suppliers of the Equipment Package, and (ii) will derive revenue as a result of your purchase of the Equipment Package. Your purchase of the Equipment Package represents approximately 17.86% to 30.16% of your initial investment and less than 5% of your ongoing expenses.

In operating your Franchised Business, you will utilize certain proprietary or private-labeled 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 trade secrets 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 suppliers who will sell the LINE-X Products to franchisees. We anticipate that your purchases of LINE-X Products will be approximately 2.74% to 3.65% of your initial investment and approximately 33% 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, offer and deal with each of and only Designated Equipment, LINE-X Products and services, and deal with 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 Business Judgment. These suppliers may include, and may be limited to, us, a Franchisor-Related Person/Entity 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 otherwise not authorized by us. None of our officers hold an ownership interest in any approved supplier.

We, our parent, or an affiliate are the only approved suppliers of the proprietary polyurethane and polyurea based products and other chemicals which are the core ingredient of the LINE-X brand coatings that you spray or apply.

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

Currently, we require you to purchase all your TRUCK GEAR by LINE-X accessories from a single approved supplier, Keystone Automotive Operations, Inc. (“Keystone”), through their web-based program “virtual warehouse.” Before purchasing any of the TRUCK GEAR products from Keystone, you will be required to sign a “Franchise Data Release Authorization and Confidentiality Agreement,” in the form attached as **Exhibit L**. We will receive a rebate ranging from 2% to 6% of Keystone’s profits from its 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 Keystone.

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 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 Business Judgment, 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 Business Judgment. 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 Business Judgment 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.

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

In addition to the rebate we currently receive from Keystone, 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. Other suppliers may make payments to us in the future because of transactions with franchisees. We will retain up to 100% of the rebates, commissions or other consideration paid by suppliers resulting from transactions with franchisees or may contribute up to 100% of the rebates and commissions to the Advertising Fund. We provide no material benefits to you based on your use of designated or approved suppliers.

Computer Hardware and Software

Currently we do not have proprietary software that we require you to purchase, but we do require that you have a computer with hardware and software that: (1) meets the minimum requirements to operate a business of this nature; (2) has Internet access and e-mail capability; and (3) includes QuickBooks Pro accounting software. We reserve the right to develop a point-of-sale ("POS") system and/or operational software in the future, which you will be required to obtain and use in the operation of the Franchised Business. You are solely responsible for obtaining your own employee-scheduling software.

Derived Revenue

During the three months ended September 30, 2020 and the fiscal year ended June 30, 2020, we did not receive any revenue or other material benefits from required purchases or leases by LINE-X Franchisees. For the three months ended September 30, 2020 and the fiscal year ended June 30, 2020, the revenues for our parent LINE-X LLC as a result of required purchases of coating chemical, TRUCK GEAR by LINE-X accessories, and equipment by LINE-X franchisees were $16,870,530, and $46,448,989, respectively. These revenues represent 75.0% and 57.5% of LINE-X LLC's total revenues of $22,508,525 and $80,731,593. The source of this information are the financial statements of LINE-X LLC.

We don't 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.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and acquisition/lease	Section 3.1	Items 11 and 12
b. Pre-opening purchases/leases	Sections 3.3 and 9.2	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 3 and 4	Items 6, 7 and 11

Obligation	Section in Agreement	Disclosure Document Item
d. Initial and ongoing training	Sections 4, 9.4, 14.3 and 15.5 F	Items 6, 7 and 11
e. Opening	Section 3	Item 11
f. Fees	Sections 8, 13.3 and 17.1C	Items 5, 6 and 7
g. Compliance with standards and policies / Operating Manual	Sections 1.1 E, 2.2 G., 3.1, 3.2, 4.2, 9.1, 9.3, 13.3 A and 15.5	Item 11
h. Trademarks and proprietary information	Sections 1.1, 5, 7, and 16.2	Items 13 and 14
i. Restrictions on products/services offered	Sections 8.2, 9.2 and 10.3	Items 8, 11 and 16
j. Warranty and customer service requirements	Sections 6.3 B., 8.5 and 13.3 A.10	Not Applicable
k. Territorial development and sales quotas	Section 2.2	Item 12
l. Ongoing product/service purchases	Sections 9.2 and 15.5	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3.2 and 9.1	Items 6 and 17
n. Insurance	Section 9.5	Items 6, 7 and 8
o. Advertising	Sections 2.4, 10 and 16.3	Items 6 and 11
p. Indemnification	Section 6.3	Item 6
q. Owner's participation/ management/staffing	Section 9.4	Item 15
r. Records and reports	Section 11	Item 11
s. Inspections and audits	Sections 12 and 15.5 B	Items 11
t. Transfer	Section 16	Items 6 and 17
u. Renewal	Sections 2.1 and 14	Item 17
v. Post-termination obligations	Section 16	Item 17
w. Non-competition covenants	Section 7.2	Item 17
x. Dispute resolution	Section 17	Item 17
y. Licenses	Section 9.3	Item 15

ITEM 10 FINANCING

From time to time, our approved equipment vendors may offer upgrades on certain equipment used in the LINE-X Stores. If you are in Good Standing (as defined in Item 12 and Section 2.2G of the Franchise Agreement), current on all your obligations under the Franchise Agreement, and interested in obtaining the upgraded equipment, LINE-X LLC (our parent) may offer financing to you on the upgraded equipment in an amount up to 100% of the cost of the equipment, which amount will vary based upon the particular type of equipment you purchase. The loan will be for a term of 6 months beginning on the date of the Equipment Purchase, Loan and Security Agreement that you will be required to sign with LINE-X LLC, in the form set out in **Exhibit M** to this Disclosure Document, which includes a Promissory Note in LINE-X LLC's favor. You will not be charged interest or a finance charge on the balance owed. You will pay LINE-X LLC six (6) equal installments monthly until the balance is zero. To qualify for the equipment financing, you must be in Good Standing, current on all your obligations under the Franchise Agreement and sign the Equipment Purchase, Loan and Security Agreement. Additionally, you must sign and execute a UCC-1 Financing Statement and any other financing statement or documents necessary to protect the security interest in the equipment against the rights or interest of third parties. The Guarantor of the franchise must also guaranty the promissory note. There is no penalty for pre-paying the loan. If you do not pay on time, LINE-X LLC can call the loan and demand immediate payment of the full outstanding balance and obtain court costs and attorney's fees if a collection action is necessary. We also have the right to terminate your Franchise Agreement if you default on the promissory note. If your franchise is terminated, expires, is not renewed, or if you abandon the franchise, LINE-X LLC has the right to accelerate payment of the remaining balance. LINE-X LLC does not intend to sell or assign your loan or note to a third party. LINE-X LLC will take a security interest in the franchise and your equipment as collateral for the loan. No delay or omission on LINE-X LLC's part, as the holder, in exercising any right under the promissory note shall operate as a waiver of defense or any other right under the promissory note. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occasion. It is not our or LINE-X LLC's practice or intent to sell, assign, or discount to a third party all or part of the financing arrangement. The loan agreement and promissory note require you to waive certain notices pertaining to your non-payment of the loan, such as, a demand for payment, protest and notice of dishonor and consent, and repossession of the equipment without a hearing; however, they do not require you to waive defenses or other legal rights or bar you from asserting a defense against LINE-X LLC.

Other than the above-described financing, we do not offer direct or indirect financing for any amount due under the Franchise Agreement. We do not guarantee your note, lease or any other obligation.

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. Use reasonable efforts to help determine site feasibility and assist in the designation of the franchise location. (Franchise Agreement, Section 3.1)

3. Loan you 1 copy of 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 the Disclosure Document as **Exhibit E**. Our Manual contains 456 pages.

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

5. We will authorize the opening of your LINE-X Store. (Franchise Agreement, Section 3.4).

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 3.3)

2. We will 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 4.1C)

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 9.5E)

4. We (or our parent or other designee) will maintain and administer the Marketing Fund. We (or our parent or other designee) will direct all advertising 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 10.1B)

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 advertising allowances or rebates for doing so and may utilize such allowances or rebates in any manner in which we elect, in our sole discretion. (Franchise Agreement, Section 3.3).

7. Review and approve or disapprove of your advertising materials. (Franchise Agreement Section 10.2B)

8. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, 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**

Our parent, LINE-X LLC, has established an advertising, publicity and marketing fund (the "Marketing Fund") to promote LINE-X Stores and the Brand. You will contribute either (i) Ten Cents ($0.10) to Twenty Cents ($0.20) per pound of the cost of the Coating Products purchased by you from LINE-X LLC; or (ii) One Percent (1%) to Five Percent (5%) of your Gross Volume. We, LINE-X LLC, (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 advertising 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 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 local. Advertising may be provided by us or a Franchisor-Related Person/Entity ("in-house" or by an independent outside person/company).

(Franchise Agreement, Section 10.1B)

No material advertising expenditures from the Marketing Fund will be devoted to the sale of new franchises. For each LINE-X business operated by us offering products and services similar to the Franchised Business, we will make contributions to the Marketing Fund equivalent to the contributions required for a Franchised Businesses with the System. The monies may be used to meet any and all costs of maintaining, administering, directing, producing and preparing mass media advertising (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 advertising programs including conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Marketing Fund.

It is anticipated that all contributions to the Marketing Fund will be expended for advertising and promotional purposes during the fiscal year within which contributions are made. If, however, excess amounts remain in the Marketing Fund at the end of the fiscal year, all expenditures in the following fiscal year(s) will be made first out of any current interest or other earnings of the Marketing Fund, next out of any accumulated earnings and finally from principal. 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 advertising purposes or distributed back to franchisees. An 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. (Franchise Agreement, Section 10.1)

During the three months ended September 30, 2020 and the fiscal year ended June 30, 2020, the percentages of Marketing Fund expenditures by type were as follows:

Spent On	Three Months Ended September 30, 2020	Year Ended June 30, 2020
Creative Development	3%	7%
Social Media	21%	20%
Public Relations	5%	13%
Trade Shows	5%	16%
Traditional Advertising	38%	14%
Product Launch	-	3%
Sponsorships & Partnerships	17%	1%
Sweepstakes	-	4%
Search Engine Marketing	8%	1%
Opportunity Fund *	3%	21%

*The “Opportunity Fund” is used for opportunities that arise throughout the year (e.g., the purchase of a truck for use at auto shows.)

D. **Local Advertising**

We reserve the right to approve all of your local advertising and promotion. We will provide guidelines for local advertising and any deviation from these guidelines requires our approval. 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.

We recommend that you spend 5% of your Gross Volume each quarter for local advertising and promotion of your LINE-X Store. We have the right to make this recommendation a requirement in the future. We can require you to spend up to seven percent (7%) of your Gross Volume each quarter on local advertising and marketing activities. We will give you 60 days advance written notice of any required local advertising and marketing expenditures. (Franchise Agreement, Section 10.2)

Your advertising will be in good taste and conform to ethical and legal standards and our requirements. Your advertising and use of the Marks in advertising may not be associated with off-color content, pornography, vulgarities, or other unsuitable content. We may require you to submit samples of all advertising 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 advertising based on our Business Judgment. You agree not to use any materials or programs disapproved by us. (Franchise Agreement, Section 10.2B)

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)

We have established a national, web-based, advertising and promotional cost sharing program (the "Co-Op Incentive Marketing Program" or simply, the "Program") designed to enhance and encourage local marketing by our franchisees. Participation in the Co-Op Incentive Marketing Program is voluntary and only available to members of our "Platinum Standards of Service" program, which all LINE-X franchisees are eligible and encouraged to join. (See Item 12, the Manual, and Section 15.5A of the Franchise Agreement for more information on the Platinum Standards of Service program.) Under the Co-Op Incentive Marketing Program, you will accrue $0.30 for each pound of qualifying Coating Product(s) purchased from our parent LINE-X LLC to use towards your local advertising and marketing efforts. All franchisees who participate in the Program will earn the same amount for their purchases of qualifying Coating Product(s). You will not make any direct contributions to the Program but will enter claim amounts (amounts you spent on local marketing efforts) into the online system. After you have entered a claim amount(s) and it is approved by LINE-X LLC, you will be reimbursed within 30 days in an amount equal to that which you have accrued under the Program at the approval date of your claim. The amount you may accrue under the Program each quarter is limited to $6,000 per Franchised Business. The Program is entirely web-based and can be accessed 24-hours a day / 7 days a week. You will set-up and activate an online account through the web-based Program, and you are solely responsible for all management of such account, including all planning and spending on local advertising and marketing. Written governing documents have been established for the Co-Op Incentive Marketing Program and are available to you online through the LINE-X Portal. You are solely responsible for claim entry into the online system. You can request an overview of your account at any time through the online Program. We have full visibility of all claims, approvals and payments at all times online through the Program.

We currently do not, and have no plans in the future to form a Franchisee Advisory Council.

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. In selecting your site, you should consider population size and density and the number of pickup trucks in your exclusive territory. Your selection of the site for the Franchised Business is subject to our approval. When evaluating the site, we consider factors such as demographics, accessibility, suitability, competing facilities and other factors.

You must select a location that we approve and be open for regular, continuous business within 6 months of signing the Franchise Agreement. If we fail to agree upon a site, we will terminate the Franchise Agreement and you will receive a refund of the initial franchise fee minus our expenses not to exceed $10,000. (Franchise Agreement, Section 3.I).

You must comply with any standards, specifications and other requirements (the "Design Standards") that we may furnish you for design, decoration, layout, equipment, furniture, fixtures, signs and other items for your LINE-X Franchised Business. 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 law. (Franchise Agreement, Section 3.2)

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 3.4) The length of time between the signing of the Franchise Agreement, and payment of your initial franchise fees, and the opening of your LINE-X Store must be within six (6) months.

H. **Training:**

The initial training program will occur at a facility that we designate and is described below:

TRAINING PROGRAM AT OUR SITE UP TO 5 DAYS			
Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Day 1			
Program Orientation – Introduction to LINE-X and History of LINE-X	2	0	At our headquarters in Huntsville, Alabama
Facility Tour – Introduction to Staff	1	0	At our headquarters in Huntsville, Alabama
Bedliner Line-up – Bedliner Product Overview	1.5	0	At our headquarters in Huntsville, Alabama
PLATINUM Standards of Service Program	.5	0	At our headquarters in Huntsville, Alabama
Sales Training – Principles of Selling/Retail/Dealership	1.5	0	At our headquarters in Huntsville, Alabama
Lab / Warehouse Tour	1	0	At our headquarters in Huntsville, Alabama
Day 2			
Sales Training (Continued) – Truck Gear	2.5	0	At our headquarters in Huntsville, Alabama
Franchise Support section of LINEX.com	1	0	At our headquarters in Huntsville, Alabama

TRAINING PROGRAM AT OUR SITE UP TO 5 DAYS			
Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Processes – Ordering and Payments	1	0	At our headquarters in Huntsville, Alabama
Business Management Training	3	0	At our headquarters in Huntsville, Alabama
Business Management/Human Resources Training	1.5	0	At our headquarters in Huntsville, Alabama
Day 3			
National and Local Marketing	3.5	0	At our headquarters in Huntsville, Alabama
Order and Payment Processing	1	0	At our headquarters in Huntsville, Alabama
Franchise Operations	2	0	At our headquarters in Huntsville, Alabama
Huntsville Store Facility Tour – Tour through Huntsville Franchise, including time to watch truck application	1.5	0	At our local Huntsville Franchise
Day 4			
Safety / Full Product Overview	1.5	0	At our headquarters in Huntsville, Alabama
Substrate Preparation	1.5	0	At our headquarters in Huntsville, Alabama
Equipment Training - EXP2 Training – Includes Theory of Operation, Intro to Equipment and Maintenance, Start Up and Shut Down Procedures	2	0	At our headquarters in Huntsville, Alabama
Spray Gun Training – Includes Fusion AP Gun Maintenance, Gun Breakdown and Troubleshooting Procedures	1	.5	At our headquarters in Huntsville, Alabama
Day 5			
Ultra Training	1	2	At our headquarters in Huntsville, Alabama
Hands-On Spray Training/ Includes Spraying of Samples	0	3.5	At our headquarters in Huntsville, Alabama
Closing / Program Evaluation	.5	0	At our headquarters in Huntsville, Alabama
TOTALS	**32**	**6**	

TRAINING PROGRAM AT YOUR BUSINESS LOCATION			
Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Set Up / Operation / Maintenance of New Equipment	0	12	Your business location
How to Mask & Spray Trucks	0	20	Your business location
PPE Review	0	1	Your business location
Spray Test Samples	0	1	Your business location
Office Procedures	0	3	Your business location
Inside Sales	0	4	Your business location
Outside Sales	0	16	Your business location
Lunch & Learn-Grand Opening Planning / Marketing / Business Review and Help from LINE-X Trainers	0	11	Your business location
TOTALS	**0**	**68**	

Cory Ellis, our Training Manager, is in charge of the training program. Mr. Ellis has over 20 years of experience in the coatings industry, including owning and operating a LINE-X franchise for 8 years. He has 7 years of operations experience with us and has been our Training Manager since June 2020. Our primary instructional material consists of the Manual and online training. All media is available online in digital format through the Franchise Portal.

You and/or a manager you 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 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 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 4.1B)

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 4.1C)

You and/or your manager must attend a refresher training program every 5 years upon the renewal of your Franchise Agreement. We do not charge for this modified training program, but you are responsible for all travel, meals, lodging and other expenses incurred by you and your manager in attending such training. (Franchise Agreement, Sections 4.1D and 14.3E.)

J. **Computer System - Hardware and Software**

Currently, we do not have proprietary software that we require you to purchase, but do require that you have computer hardware and software which meet the minimum requirements to operate a business of this nature, which have Internet access and e-mail capability, and include QuickBooks Pro accounting software. Basic computer packages meeting these specifications, such as Hewlett Packard or Dell are readily available off the shelf at many retail outlets. Software vendors meeting these requirements such as Microsoft, usually include business packages with QuickBooks Pro, which we require you to use. You are free to choose any authorized dealer from which to purchase or license commercially available software. We reserve the right to require you to purchase and maintain certain specific hardware and software in the future. You are solely responsible for obtaining your own employee-scheduling 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 hardware and software is $1,475 to $6,120. The approximate cost of any annual maintenance upgrades or updates or maintenance support contracts is $50 to $100.

We reserve the right to 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.

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

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.

ITEM 12 TERRITORY

You will receive an exclusive territory within a designated area (the "Territory") as defined in 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 approve (the "Premises"). Your Territory will be defined by a map and/or a related list of zip codes. The Territory will be independently determined between us and you 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; drive times from the defined location; natural and manmade boundaries; 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.

If you are in good standing, have attended our specialized training for mobile applicators, have purchased the designated equipment for mobile applications, have the requisite insurance, and meet such other reasonable criteria that we establish, we may authorize you to spray/apply coatings ("Mobile Applications") away from the Premises. Our current form of Mobile Applicator Agreement is attached as an exhibit to the Franchise Agreement.

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation or otherwise 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 Persons/Entities may be involved, now or in the future.

We and our parent 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 in the Territory, except a LINE-X Store, whether or not using the LINE-X Marks and System; and any kind of business outside of the Territory, including, without limitation, LINE-X Stores, whether or not using the LINE-X Marks and System;

(2) sell LINE-X brand (or any other brand) products and services (whether or not competitive) 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) 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;

(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 how to apply the coatings. However, if you initiated this account, have serviced it for over one year, and have sold product to them in the prior twelve 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.

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.

If you are not in (i) 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) if you fail to meet our then-current Performance Standards (as defined below) we may reduce, eliminate or otherwise modify your territorial rights, along with whatever other remedies are then available to us, 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, 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. LINE-X Minimum Purchase Standard. At any time, we may choose, in our Business Judgment, to compare your purchases to the then current "Minimum Purchase Standard." Our current Minimum Purchase Standard is 925 pounds of Coating Products per month per 100,000 persons in your Territory. For territories with smaller or larger populations, the amount of Coating Products used to calculate the Minimum Purchase Standard is *pro-rated*.

C. If for two (2) consecutive quarters (or three quarters in any 24 months) you drop below the Minimum Purchase Standard, or any replacement standard, or if you fail to purchase the Coating Products in any three (3) month period, we can, at our election, (i) reduce the size of your Territory; and/or (ii) terminate the exclusivity in your Territory; and permit other franchisees to market in your Territory; and/or (ii) award other franchises in your Territory; and/or (iv) terminate this Agreement. In any case, we reserve the right to add or discontinue client products in the future as market changes and technology evolve, or for other reasons in our Business Judgment, which may result in modification of the Minimum Purchase Standard.

D. We reserve the right to make reasonable revisions to elements of the Minimum Purchase and/or System Standards on 90 days written advance notice to you.

E. We may (but are not required to) implement the correction process described in 15.5 F, below, if you fail to meet System Standards or Minimum Purchase Standard.

F. Correction Process

1) If we notify you of your failure to meet any Performance Standard, then you will have ninety (90) days from our delivery of written notice to you in accordance with Section 18, below, to meet all applicable Standards.

2) We will reasonably cooperate with and 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 (maximum: $1,500).

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.

G. If within such ninety (90) days your LINE-X Store does not meet any of the Performance

Standards, then we can reduce, eliminate or otherwise modify your territorial rights.

H. We have developed a "Platinum 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.

I. 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.

Currently, there are no other circumstances that permit us to modify your territorial rights.

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

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 registered on the Principal Register of the United States Patent and Trademark Office, are owned by LINE-X LLC and are licensed to us by LINE-X LLC in a non-exclusive license agreement dated August 8, 2018. We may authorize you to use some or all of the following Marks.

Mark	Registration Number	Registration Date	Registration Renewal
LINE-X (stylized)	1861562	November 8, 1994	Renewed
LINE-X (Cl. 40)	2461464	June 19, 2001	Renewed
LINE-X	2463701	June 26, 2001	Renewed
LINE-X (Cl. 02 & Cl. 40)	3530500	November 11, 2008	Renewed
LINE-X (Cl. 22 & Cl. 39)	3764253	March 23, 2010	Not yet due.
LINE-XXTRA (Cl. 40)	3170032	November 7, 2006	Renewed
LINE-XXTRA (Cl. 02)	3095472	May 23, 2006	Renewed
PAXCON (Cl. 02)	3083378	April 18, 2006	Renewed

Mark	Registration Number	Registration Date	Registration Renewal
PAXCON (Cl. 40)	3174050	November 21, 2006	Renewed
LINE-X	5208783	May 23, 2017	Not yet due.
LINE-X XTRA	3666008	August 11, 2009	Renewed
LINE-X XTRA	3666009	August 11, 2009	Renewed
BLOC & BLU	4471094	January 21, 2014	Not yet due.
ASPART-X	4026850	September 13, 2011	Not yet due.
TRUCK GEAR BY LINE-X	4739661	May 19, 2015	Not yet due.
TRUCK GEAR BY LINE-X	4739660	May 19, 2015	Not yet due.
LINE-X ULTRA (Word Mark)	5453783	April 24, 2018	Not yet due.
LINE-X TINTSOLUTIONS (Word Mark)	6137251	August 25, 2020	Not yet due.
LINE-X TINTSOLUTIONS	6137252	August 25, 2020	Not yet due.

LINE-X LLC has a pending registration on the Principal Register of the U.S. Patent and Trademark Office for the following Mark:

Mark	Serial Number	Filing Date
BEYOND THE BEDLINER (Word Mark)	87691564	November 20, 2017

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'll give 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. You won't 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. Our Licensor retains 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 LINE-X LLC is 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 5 days dismantle any frames and links among your web pages and any other websites.

You agree to immediately notify us of any apparent or actual infringement of, or of any challenge to your use of, the Marks. 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. As owner of the Marks, we have the exclusive right to initiate and control any settlement, litigation or proceeding arising out of or related to any such matters.

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.

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) designs, specifications and information about products and services and iii) all information regarding customers and suppliers, including any statistical and/or financial information and all lists. We disclose to you Confidential Information needed for the operation of a LINE-X franchise, and you may learn additional information during the term of your franchise. Our Affiliates or we 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 use the Confidential Information only for the operation of your LINE-X Store under a LINE-X Franchise Agreement; maintain the confidentiality of the Confidential Information; not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and iii) follow all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information.

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to a LINE-X Store that you or your employees conceive or develop.

You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to the franchise business that are conceived or developed by you and/or your employees. We will have a perpetual right to use, and to authorize others to use, those ideas, etc. without compensation or other obligation.

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

A person who has successfully completed mandatory training, and meets 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 12 months of operation and strongly recommend full term on-site management by you.

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 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.

You are solely responsible for the hiring and management of your LINE-X Business employees, for the terms of their employment and for ensuring their compliance with any training or other requirements established by us. You are responsible for hiring your own legal counsel or human resources professional to assist you in creating your own employee handbook. You will keep us advised, in writing, of all management personnel involved in the operation or otherwise of your LINE-X Business. You understand that absentee ownership involves a greater risk of failure.

You are not our agent, legal representative, joint venturer, partner, employee or servant. You will be an independent contractor and 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. You must include notices of independent ownership on such forms, business cards, stationery, advertising, signs and other materials, as we require from time to time. Subject to the requirements of the Franchise Agreement and the Manual, you'll have complete operational control of your business, including the right to hire and fire each employee.

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

During the term of the Franchise Agreement and for 2 years 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.

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and will operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations including all government regulations relating to contractor licensing, occupational hazards and health, consumer protection, environmental protection, trade regulation, workers' compensation, unemployment insurance, vehicle registration and withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes.

You will operate your LINE-X Store in full compliance with all applicable laws, ordinances and regulations. 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 Store. It is your sole responsibility to identify and obtain all authorizations necessary to your operation.

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

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

You must offer for sale and sell only and 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 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.

You agree at your sole expense that you and your employees will wear then-current LINE-X apparel.

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, advertising 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.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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 2.1	The term is 5 years from the date the Franchise Agreement is signed.
b. Renewal or extension of term	Franchise Agreement: Sections 2.1 C and 14.	If you are current in all your obligations to us and meet the conditions for renewal, including attending a modified training program, you can renew for up to 2 additional successive terms of 5 years each. You must meet all successor and renewal criteria set forth in the Franchise Agreement at the end of the first five (5) year successor term before exercising the second five (5) year successor term.
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 Business into compliance with our current standards; you must attend refresher training; you have given us notice of renewal; you have signed a then-current form of Franchise Agreement; you have achieved your required sales quota and you have signed a general release in substantially the form of **Exhibit F** to this

Provision	Section in franchise or other agreement	Summary
		Disclosure Document. You must give us notice of your intent to renew between 6 and 12 months before the Franchise Agreement expires. We will give you notice of our intent not to renew along with specific reasons at least 3 months before your expiration. The new Franchise Agreement may contain terms and conditions that are materially different from your original Franchise Agreement. There is no fee to renew or extend.
d. Termination by franchisee	Franchise Agreement: Section 15.8	You may terminate the Franchise Agreement for cause if you are in compliance and we materially breach the Franchise Agreement and fail to cure within 30 days of receiving your written notice. This provision is subject to applicable state law.
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: you fail or refuse to make payments due and do not cure within 10 business days; or fail to comply with any provision of the Franchise Agreement not mentioned in (h.) below or any mandatory specification and do not cure within 30 days.
h. "**Cause**" defined - non-curable defaults	Franchise Agreement: Section 15.1	The following events constitute non-curable defaults: failure to properly establish and equip the premises and vehicles; failure to complete training; make a material misrepresentation or omission in the application for the franchise; conviction or plea of no contest to a felony, or other crime or offense that can adversely affect the reputation of you, us or the Franchised Business; failure to purchase minimum amounts of product and to meet Minimum Performance Standards; misuse of the Manual or unauthorized disclosure of confidential information; abandonment of the business for 5 consecutive days unless otherwise approved; surrender of control of the business; unauthorized transfer; you are

Provision	Section in franchise or other agreement	Summary
		adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; your misuse of the Marks; failure on 2 occasions within any 12 consecutive month period to pay amounts due, or otherwise to comply with the Franchise Agreement; violate any health, safety or sanitation law or conduct your operation in a manner creating a safety hazard; or violating the rights and restrictions of your territory.
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 advertising 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; sell to us, at our option, all assets of the Franchised Business, including inventory, equipment, supplies and items bearing the Marks; 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.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor approval of transfer	Franchise Agreement: Section 13.3	You must be compliance with all agreements, the Manual, all contracts with any party, and transferee must assume all obligations under these agreements; transferee 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.
n. Franchisor's right of first refusal to acquire franchisee's business	None	Not Applicable.
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 you are not able to personally, actively participate in the management of your LINE-X Store for (6) consecutive

Provision	Section in franchise or other agreement	Summary
		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.
q. Non-competition covenants during the term of the franchise	Franchise Agreement: Section 7.2 A	You must not divert or attempt to divert any business or customer to a competitor; employ or seek to employ any person who is employed by us or another franchisee; or own or otherwise have any interest in any competitive business specializing, in whole or in part, in the sale, application of polyurethane coatings, and related services the same as or similar to any product or service provided through the System. This provision is subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement: Section 7.2 B	You must not own or operate any business specializing in whole or in part in the sale, or application of polyurethane coatings and related services for 2 years after the Franchise Agreement is terminated within the Metropolitan Statistical Area (as defined in the Franchise Agreement), where the Franchised Business is located, within a 10-mile radius surrounding the outside perimeter of your Territory or within a 10-mile radius of any business using the System. This provision is subject to applicable state law.
s. Modification of the Franchise Agreement	Franchise Agreement: Sections 19. B 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 19. B	Only the terms of the Franchise Agreement and any addendum are binding (subject to state law). Any representations or promises outside of the Disclosure Document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by mediation or arbitration	Franchise Agreement: Section 17	Except for claims relating to the confidential information or the Marks, any claim arising out of or relating to the Agreement or the relationship of the parties, and any controversy regarding the establishment of the fair market value of assets of the Franchised Business will be submitted to binding arbitration in the

Provision	Section in franchise or other agreement	Summary
		county where our then-current headquarters is located. 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 17.2	Any action must be brought in state or federal court in the jurisdiction where our then-current headquarters is located (subject to state law.)
w. Choice of law	Franchise Agreement: Section 17.8	Alabama law applies (unless prohibited by laws of the state where the Franchised Business is located.)

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.

ITEM 18 ARRANGEMENTS WITH 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 Samantha Styger, at LINE-X Franchising LLC, 301 James Record Road, Suite 250, Huntsville, Alabama 35824, (800) 831-3232, 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 2018 through 2020**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2018	404	414	+10
	2019	414	435	+21
	2020	435	441	+6
Company-Owned*	2018	4	6	+2
	2019	6	3	-3
	2020	3	2	-1
Total Outlets	2018	408	420	+12
	2019	420	438	+18
	2020	438	443	+5

* The Company-Owned Stores were owned and operated by our affiliate, LX Retail LLC. The 2 Company-Owned Stores disclosed at the end of Year 2020 were sold to franchisees after the close of our fiscal year. At the date of this disclosure document, we no longer have any Company-Owned Stores.

** The Year 2020 includes the 15-month period from July 1, 2019 to September 30, 2020. We changed our fiscal year end from June 30 to September 30 on July 1, 2020.

Table No. 2
Transfer of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Fiscal Years 2018 through 2020**

State	Year	Number of Transfers
AL	2018	0
	2019	1
	2020	0
AR	2018	0
	2019	0
	2020	0
AZ	2018	0
	2019	0
	2020	0
CA	2018	0
	2019	2
	2020	2
CO	2018	0
	2019	1
	2020	2

State	Year	Number of Transfers
CT	2018	0
	2019	0
	2020	0
FL	2018	1
	2019	2
	2020	0
GA	2018	1
	2019	0
	2020	1
IA	2018	0
	2019	1
	2020	1
ID	2018	1
	2019	0
	2020	1
IL	2018	0
	2019	0
	2020	0
KY	2018	1
	2019	1
	2020	1
MA	2018	0
	2019	0
	2020	0
MD	2018	2
	2019	0
	2020	1
ME	2018	0
	2019	0
	2020	1
MI	2018	0
	2019	0
	2020	0
MN	2018	0
	2019	0
	2020	0
MO	2018	1
	2019	0
	2020	0

State	Year	Number of Transfers
NC	2018	1
	2019	0
	2020	1
ND	2018	0
	2019	0
	2020	1
NE	2018	1
	2019	0
	2020	0
NH	2018	1
	2019	0
	2020	1
NJ	2018	0
	2019	0
	2020	0
NY	2018	1
	2019	0
	2020	0
OH	2018	0
	2019	0
	2020	1
PA	2018	0
	2019	0
	2020	1
SC	2018	1
	2019	0
	2020	0
TN	2018	0
	2019	0
	2020	0
TX	2018	0
	2019	4
	2020	3
VA	2018	2
	2019	0
	2020	0
WA	2018	0
	2019	3
	2020	0
WV	2018	0
	2019	0
	2020	0

State	Year	Number of Transfers
WI	2018	0
	2019	0
	2020	0
Totals	2018	14
	2019	13
	2020	18

** The Year 2020 includes the 15-month period from July 1, 2019 to September 30, 2020. We changed our fiscal year end from June 30 to September 30 on July 1, 2020.

Table No. 3
Status of Franchised Outlets
For Fiscal Years 2018 through 2020**

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	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
AL	2018	14	0	0	0	0	1	13
	2019	13	1	0	0	0	0	14
	2020	14	1	0	0	0	0	15
AR	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
AZ	2018	6	0	1	0	0	1	4
	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
CA	2018	37	5	0	0	0	0	42
	2019	42	2	0	0	0	1	43
	2020	43	2	1	0	0	0	44
CO	2018	10	0	0	0	0	1	9
	2019	9	0	0	0	0	0	9
	2020	9	0	1	0	0	0	8
CT	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
DE	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
FL	2018	18	0	0	0	0	0	18
	2019	18	2	0	0	0	0	20
	2020	20	2	0	0	0	0	22

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
GA	2018	14	0	0	0	0	0	14
	2019	14	2	0	0	0	0	16
	2020	16	1	0	0	0	0	17
HI	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
IA	2018	9	1	0	0	0	0	10
	2019	10	0	0	0	0	0	10
	2020	10	0	0	0	0	0	10
ID	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
IL	2018	13	0	0	0	0	1	12
	2019	12	0	0	0	0	1	11
	2020	11	1	2	0	0	0	10
IN	2018	11	0	0	0	0	0	11
	2019	11	0	0	0	0	0	11
	2020	11	0	0	0	0	0	11
KS	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
	2020	7	0	0	0	0	2	5
KY	2018	9	1	0	0	0	0	10
	2019	10	0	0	0	0	0	10
	2020	10	1	0	0	0	0	11
LA	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
MA	2018	4	0	0	0	0	0	4
	2019	4	1	0	0	0	0	5
	2020	5	0	0	0	0	0	5
MD	2018	11	1	0	0	0	0	12
	2019	12	0	0	0	0	0	12
	2020	12	0	0	0	0	0	12
ME	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	1	0	0	0	0	4
MI	2018	15	0	0	0	0	0	15
	2019	15	1	0	0	0	0	16
	2020	16	0	1	0	0	0	15

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
MN	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	1	6
	2020	6	0	0	0	0	0	6
MO	2018	9	0	0	0	0	0	9
	2019	9	3	0	0	0	0	12
	2020	12	1	0	0	0	0	13
MS	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
MT	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	1	3
	2020	3	0	0	0	0	0	3
NC	2018	10	1	1	0	0	0	10
	2019	10	1	0	0	0	0	11
	2020	11	1	0	0	0	0	12
ND	2018	3	1	0	0	0	0	4
	2019	4	0	0	0	0	0	4
	2020	4	1	0	0	0	0	5
NE	2018	4	1	0	0	0	0	5
	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
NH	2018	8	0	0	0	0	0	8
	2019	8	0	0	0	0	0	8
	2020	8	0	0	0	0	0	8
NJ	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
NM	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	1	0	0	0	1
NV	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
NY	2018	8	0	1	0	0	0	7
	2019	7	2	0	0	0	0	9
	2020	9	1	0	0	0	0	10
OH	2018	16	0	0	0	0	1	15
	2019	15	0	0	0	0	0	15
	2020	15	1	0	0	0	0	16

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
OK	2018	7	0	0	0	0	0	7
	2019	7	2	0	0	0	1	8
	2020	8	0	1	0	0	0	7
OR	2018	7	0	0	0	0	0	7
	2019	7	1	0	0	0	0	8
	2020	8	0	0	0	0	0	8
PA	2018	13	3	0	0	0	0	16
	2019	16	2	0	0	0	0	18
	2020	18	0	0	0	0	1	17
RI	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
SC	2018	9	0	0	0	0	0	9
	2019	9	0	0	0	0	0	9
	2020	9	1	0	0	0	0	10
SD	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	1	1	0	0	0	2
TN	2018	11	0	0	0	0	1	10
	2019	10	2	0	0	0	1	11
	2020	11	1	0	0	0	1	11
TX	2018	33	3	1	0	0	0	35
	2019	35	5	1	0	0	1	38
	2020	38	2	1	0	0	0	39
UT	2018	2	1	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	1	0	0	0	2
VA	2018	16	0	0	0	0	1	15
	2019	15	0	0	0	0	0	15
	2020	15	0	0	0	0	0	15
WA	2018	15	0	0	0	0	0	15
	2019	15	0	0	0	0	0	15
	2020	15	1	0	0	0	0	16
WI	2018	10	1	0	0	0	0	11
	2019	11	0	0	0	0	0	11
	2020	11	0	0	0	0	0	11
WV	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
WY	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2

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
TOTALS	2018	404	21	4	0	0	7	414
	2019	414	29	1	0	0	7	435
	2020	435	20	10	0	0	4	441

** The Year 2020 includes the 15-month period from July 1, 2019 to September 30, 2020. We changed our fiscal year end from June 30 to September 30 on July 1, 2020.

Table No. 4
Status of Company-Owned Outlets*
For Years 2018 through 2020**

State	Year	Outlets at the Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
AL	2018	1	0	0	0	0	1
	2019	1	0	0	0	1	0
	2020	0	0	0	0	0	0
MI	2018	0	2	0	0	0	2
	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2
TX	2018	3	0	0	0	0	3
	2019	3	0	0	0	2	1
	2020	1	0	0	0	1	0
Total	2018	4	2	0	0	0	6
	2019	6	0	0	0	3	3
	2020	3	0	0	0	1	2

* The Company-Owned Stores were owned and operated by our affiliate, LX Retail LLC. The 2 Company-Owned Stores disclosed at the end of Year 2020 were sold to franchisees after the close of our fiscal year. At the date of this disclosure document, we no longer have any Company-Owned Stores.

** The Year 2020 includes the 15-month period from July 1, 2019 to September 30, 2020. We changed our fiscal year end from June 30 to September 30 on July 1, 2020.

Table No. 5
Projected Openings as of September 30, 2020

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
AK	0	1	0
AL	0	1	0
AR	0	3	0
AZ	0	3	0
CA	0	4	0
CO	0	1	0

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company - Owned Outlet in the Next Fiscal Year
CT	0	1	0
FL	2	1	0
GA	0	1	0
HI	0	1	0
ID	0	1	0
IL	1	2	0
IN	0	3	0
IA	0	1	0
KS	0	1	0
KY	1	1	0
LA	0	2	0
MA	0	1	0
MD	1	0	0
MI	2	1	0
MN	0	1	0
MS	0	1	0
MT	0	1	0
NC	0	3	0
ND	0	1	0
NE	0	1	0
NJ	0	0	0
NM	0	2	0
NV	1	0	0
NY	1	0	0
OH	0	1	0
OK	0	2	0
OR	0	0	0
PA	0	2	0
SC	1	0	0
TN	0	2	0
TX	3	5	0
UT	0	3	0
VT	0	1	0
VA	1	1	0
WA	0	1	0
WI	1	1	0
WY	0	1	0
Total	15	60	0

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.

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

In the last three fiscal years, no franchisees have entered into confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system.

There are no independent trademark-specific franchisee organizations associated with the franchise system being offered that have asked to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Attached as **Exhibit C (1)** are our audited financial statements for the three months ended September 30, 2020 and all the years ended June 30, 2020, 2019, and 2018, and as **Exhibit C (3)** our unaudited financial statements for the three months ended December 31, 2020. We changed our fiscal year end date from June 30 to September 30 on July 1, 2020.

Also attached as **Exhibit C (2)** are separate audited financial statements for the three months ended September 30, 2020 and all the years ended June 30, 2020, 2019, and 2018 for our parent LINE-X LLC, who commits to providing post-sale goods to you. LINE-X LLC's unaudited financial statements for the three months ended December 31, 2020 are attached as **Exhibit C (4)**. LINE-X LLC does not guarantee our duties or obligations to you under the Franchise Agreement.

ITEM 22
CONTRACTS

The following agreements are attached to this Disclosure Document:

Exhibit B	Franchise Agreement (with Exhibits)
Exhibit D	Statement of Prospective Franchisee
Exhibit F	General Release
Exhibit L	Franchise Data Release Authorization and Confidentiality Agreement
Exhibit M	Equipment Purchase, Loan and Security 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.

EXHIBIT A TO

LINE-X FRANCHISING LLC

DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

CALIFORNIA
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Tel: (213) 576-7505
Tel: (866) 275-2677

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

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

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

HAWAII
(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

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

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

INDIANA
(for service of process)
Indiana Secretary of State
201 State House
Indianapolis, Indiana 46204

(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

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
(for service of process)
Maryland Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202

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

MICHIGAN
(for service of process)
Michigan Department of Consumer and Industry Services
Corporations and Securities Bureau
P.O. Box 30054
Lansing, Michigan 48909

(state agency)
Department of the Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48909
Tel: (517) 373-7117

MINNESOTA
Commissioner of Commerce
85 Seventh Place East, Suite 500
St. Paul, MN 55101-2198
Tel: (651) 296-4026

NEBRASKA
Gene Schenkelberg, Securities Analyst
Department of Banking & Finance
1200 N. Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509
Tel: (402) 417-3445

NEW YORK
(Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

(Administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
Tel: (212) 416-8236

NORTH DAKOTA
(for service of process)
Securities Commissioner
Office of the Securities Commissioner
600 East Boulevard Avenue
State Capital, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510

(state agency)
Office of the Securities Commissioner
600 East Boulevard Avenue
State Capital, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
Tel: (701) 328-2910

OREGON
Director, 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
Director, Securities Division
State of Rhode Island
Department of Business Regulation in the
Service of Process, Disclosure Document and
State Administrators Sections
Building 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue,
Cranston, Rhode Island 02920
Tel: (401) 462 9582

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

TEXAS
Statutory Document Section
Secretary of State
1719 Brazos
Austin, Texas 78701
Attn: Dorothy Wilson
Tel: (512) 475-1769

UTAH
Director, Division of Consumer Protection
Utah Dept. of Commerce
160 East Three Hundred South
SM Box 146704
Salt Lake City, Utah 84114-6704
Tel: (801) 530-6601
Fax: (801) 530-6001

VIRGINIA
(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

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

WASHINGTON
(for service of process)
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

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

WISCONSIN
Commissioner of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701-1768
Tel: (608) 266-2801

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

EXHIBIT B TO

LINE-X FRANCHISING LLC

DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT AND EXHIBITS

Franchise Agreement Number: _____

LINE-X Franchising LLC Franchise Agreement

Date of this Agreement: _____

Expiration Date: _____

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

Franchisee: _____

Accepted Premises: _____

_____

1. INTRODUCTION, DEFINITIONS, AND PRELIMINARY AGREEMENTS.

1.1 Introduction.

A. Our parent, LINE-X LLC ("**Licensor**"), and its predecessors have developed and own a system for the establishment and operation of businesses specializing in the application of LINE-X® brand spray-on protective coatings. The businesses also sell truck accessories, including Truck Gear by LINE-X™, an exclusive accessory line for trucks (collectively, the "**System**").

B. The distinguishing characteristics of the System include procedures and techniques for marketing and applying LINE-X brand spray-on truck bedliners and other coating services for light industrial uses; the sale of TRUCK GEAR by LINE-X truck accessories; use of the LINE-X Marks (the "**Marks**"); the LINE-X Confidential Operations Manual (the "**Manual**"); uniform operating methods, procedures and techniques; methods and techniques for inventory, cost controls, record keeping and reporting, purchasing, sales promotion, marketing and advertising, all of which may be changed, improved and further developed by Licensor or us from time to time. We call this the "**Franchised Business**."

C. As an integral part of the Franchised Business, we, our parent, or an affiliate will sell you proprietary polyurethane and polyurea based products and other chemicals developed by Licensor which are the core ingredient of the LINE-X brand coatings that you spray or apply (the "**Coating Products**"). Our training, equipment ("**Designated Equipment**"), and the System are designed around our proprietary products, including, but not limited to, LINE-X® brand coatings and TRUCK GEAR by LINE-X™ (collectively, the "**LINE-X Products**"). We do not charge a royalty like some franchise systems. We generate income from the sale of LINE-X Products to you. If you purchase other products or use non-approved products in connection with the Franchised Business, you will tarnish the LINE-X Marks, you will defeat the economic purpose of this Agreement, and you will be in breach of the Agreement. We may terminate this Agreement immediately if you purchase anything other than the LINE-X Products without our prior written permission. Up to twenty-five percent (25%) of the inventory of LINE-X Products may not be available to you at any given time due to shortages, such as manufacturing bottlenecks, suppliers, commodity prices, shippers, storms, acts of God, and other delaying factors.

D. We license the rights to the System, the LINE-X Products and the LINE-X Marks from our parent and, in turn, have the right to license parts or all of the System to others, like you.

E. When you sign this Agreement, you must comply fully with its terms and the Manual in order to use the LINE-X Marks, LINE-X Products, System and other Intellectual Property.

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F. You agree that it is critical to you, us and each franchisee for the System to be flexible to respond to commercial opportunities and challenges. An inability to change the System could adversely affect all LINE-X franchisees. You, therefore, agree and anticipate that the Manual and the System may be changed by us, from time to time, in our Business Judgment (as that term is defined in Section 17.6 below). You agree to comply with the Manual and the System as they are changed by us.

2. AWARD OF FRANCHISE.

2.1 Term. This Agreement authorizes you to operate a single LINE-X franchise at a single location in the Territory (the "**LINE-X Store**") subject to all the conditions contained in this Agreement.

A. The term of this Agreement is for five (5) years commencing on the date of this Agreement, as provided on the first page 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:

1) a term which 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 five (5) 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 successor provisions of the franchise agreement under which you operated during the initial term (which is now expired). The applicable Expiration Date is noted on the first page of this Agreement. The successor terms for this Agreement are set forth in Section 14 of the Agreement.

D. You agree to operate the LINE-X Store for the entire term of this Agreement, unless you receive our prior written approval to transfer your interest in the Franchised Business pursuant to Section 13 of this Agreement, or unless the lease for the Premises is terminated at no fault of yours and you cannot find an alternative location to operate the LINE-X Store that is acceptable to us.

E. If applicable law requires that we give notice to you prior to the expiration of the Term, this Agreement shall remain in effect on a week-to-week basis until we have given the notice required by such applicable law. 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, then 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 week-to-week 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.

F. **Holdover.** If we permit you to continue after the Franchise and/or term would otherwise end pursuant to this Agreement, then (but without prejudice to any of our other rights or remedies):

(a) you must continue to operate the Franchise on a monthly basis;

(b) you will continue on the same terms and conditions so far as applicable to a monthly license as are contained in this Agreement; and

(c) the monthly license may be terminated by either party giving the other thirty (30) days' written notice, which may expire on any day.

G. You must not conduct a LINE-X Franchised Business, use the Marks, System and/or distribute the LINE-X Products or Services from any store other than the Premises, or for any purpose other than as approved by us in writing. Except for pre-existing, non-competitive businesses as described

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in Exhibit 2.1, you must not conduct any activities from the Premises 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.

2.2 Territory.

A. Subject to our rights as set forth in this Agreement, and for its Term, we will not enter into a franchise agreement for another LINE-X Store, nor open a Franchisor-owned LINE-X Store, inside the Territory.

B. Your Territory will be defined by a map and/or a related list of zip codes, all as set forth in Exhibit 2.2 to this Agreement. The Territory will be independently determined between us and you 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; and/or

5) Such other reasonable criteria that Franchisor may apply.

C. Your rights in the Territory are **exactly** (and only) as set forth in this Section 2.2. You may not solicit business nor pick up and deliver trucks 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, 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 the Territory. You do not have any rights with respect to other businesses, products or services, in which we or any Franchisor-Related Persons/Entities may be involved, now or in the future.

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

1) own and/or operate any kind of business in the Territory, except for a LINE-X store or any business which directly competes with a LINE-X Store;

2) own and/or operate any kind of business outside of the Territory, including, without limitation, LINE-X Stores

3) sell LINE-X brand (or any other brand) products and services (whether or not competitive) 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) other than a LINE-X Store located in the Territory.

4) 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;

5) 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

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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.

E. 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.

F. 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 the Coating Products to these accounts, and we may train them how to apply the coatings. However, if you initiated this account, have serviced it for over one year, and have sold product to them in the prior twelve 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.

G. 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 our affiliates ("**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.

2.3 Mobile Applications. This Agreement is for the Franchised Business located at the Premises identified on Page 1. If you are in Good Standing, have attended our specialized training for mobile applicators, have purchased the Designated Equipment for mobile applications, have the requisite insurance, and meet such other reasonable criteria that we establish, you will be authorized to spray/apply coatings ("Mobile Applications") away from the Premises. Our current form of Mobile Applicator Agreement is set forth in Exhibit 2.3.

2.4 E-Commerce/Mail Order Business - Current Policies.

Your use of the Internet, World Wide Web, social networking sites, any URLs ("Uniform Resource Locators") and other electronic or other means of marketing and distribution of goods and/or services can be restricted by us. You will not market or sell through such venue(s) or any channel of distribution 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.

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

3.1 Site Selection. 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, population density, demographics, proximity to other LINE-X Stores, available parking, traffic flow and entrance to and exit from the site. We will deliver to you written acceptance or rejection of a proposed location within 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 Persons/Entities, 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 Persons/Entities with regard to such matters. Your LINE-X Store must be open for regular, continuous business within six (6) 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 six (6) months of the Effective Date of this Agreement, either we or you can terminate the Franchise Agreement. Upon such termination, we will refund the initial franchisee fee, less expenses we

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incur in providing site selection assistance to you and other expenses we incur, in an amount not to exceed $10,000.

3.2 LINE-X Design Standards. You agree to comply with any standards, specifications and other requirements (the "Design Standards") that we may furnish you for design, decoration, layout, equipment, furniture, fixtures, signs and other items for your LINE-X Store. 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 law. We are not acting as a general contractor or providing construction advice. You must hire your own licensed general contractor and architect to comply with local ordinance's and codes, and you alone are responsible for the build out of the Premises. If we do not provide written Design Standards, you agree that the Store will be decorated in "good taste," have appropriate signage, be clean and have a safe, comfortable customer reception or waiting area.

3.3 Equipment. We will specify or approve certain equipment, inventory, and supplies to be used in the Franchised Business. You will only use approved equipment, inventory, and advertising and will only offer for sale, approved programs, products and services in the Franchised Business. We may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so, and may utilize such allowances or rebates in any manner in which we elect, in our sole discretion. We require you to purchase all your TRUCK GEAR by LINE-X accessories through a web-based program operated by a single supplier approved by us. Before purchasing any of the TRUCK GEAR products from our approved supplier, you will be required to sign our standard form of "Franchise Data Release Authorization and Confidentiality Agreement." Up to twenty-five percent (25%) of the inventory of TRUCK GEAR products may not be available to you at any given time due to shortages

3.4 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 (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. Your LINE-X Store must be open for regular, continuous business within six (6) months of the Effective Date of this Agreement.

3.5 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) be at your sole expense, and (iv) require that you (and each Affiliate and owner of yours) sign a General Release.

3.6 Computer System - Hardware and Software.

A. We require you to have a computer with hardware and software that meet the minimum requirements to operate a business of the nature of the LINE-X Store. Such minimum requirements, include, but are not limited to, Internet access, e-mail capability, and basic accounting functions. You are free to choose any authorized dealer from which to purchase or license commercially available software. You are solely responsible for obtaining your own employee-scheduling software. We reserve the right to develop a point-of-sale ("POS") system and/or operational software and other hardware and software in the future, which you will be required to obtain and use in the operation of the Franchised Business. We also reserve the right to require you to update or upgrade any computer hardware or software 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.

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 as the direct or indirect result of such disruptions, failures, or attacks.

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C. You agree to take all reasonable and prudent steps necessary to ensure that your computer system and your customers' data are protected at all times from unauthorized access or use by a third party or misuse, damage or destruction by any person.

D. You must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must 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 and/or a manager you designate must successfully complete our initial training program before operating your LINE-X Store. The Initial Franchise Fee covers an initial training program for you and one other person. We may charge a reasonable fee for training of additional and/or subsequent managers. We can choose to eliminate or shorten training for persons previously trained or with comparable experience. 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 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 $10,000.

B. The initial training program will be at a time and place, and for such period, as we specify in our Business Judgment. You'll 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 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. You must 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 and/or your manager must attend a modified/refresher training program every 5 years upon the renewal of this Agreement. We do not charge for this modified training program, but you are responsible for all travel, meals, lodging and other expenses incurred by you and your manager in attending such training.

E. If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of Franchisor's control, Franchisor reserves 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.

4.2 Manuals. As part of your training program, and during the term of the Franchise, we will loan you (or allow you electronic or other access to) one 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 and Licensor's interests in the System and the Marks and to create a uniform customer experience, and not for the

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purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to you. Mandatory 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 part of this Agreement.

4.3 Initial and Ongoing Assistance. We shall provide, at our expense, such initial and continuing advisory assistance in connection with the operation of your LINE-X Store as we deem appropriate. Such assistance may be provided, in our discretion, by our directives, System bulletins, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters or manuals. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you brings to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, 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 its 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. The rendering of any consultation, advise, assistance, consent, approval or services by us, as set forth in this Agreement, does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of your business. Any Franchisor services set forth in this Agreement may be provided by us and/or our representative(s) or designee(s).

5. MARKS.

5.1 Goodwill and Ownership of Marks. You have a non-exclusive right to use the Marks and only as expressly authorized by us under this Agreement and the Manual. The Licensor retains all rights in and to the Marks. All goodwill belongs exclusively to the Licensor. You will not obtain any goodwill in the Marks as a result of this Agreement, your operation of the Franchise, or for any other reason. Any unauthorized use of the Marks is a breach of this Agreement. You agree that if you breach any obligation regarding the Marks, we or the Licensor would have no adequate remedy at law and that we will be entitled to equitable relief. This Agreement applies to all trademarks, service marks and other commercial symbols that we may authorize you to use throughout its term.

5.2 Limitations and Use of Marks. 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 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 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. You won't 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, 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. 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. As owner of the Marks, we have the exclusive right to initiate and control any settlement, litigation or proceeding arising out of or related to any such matters.

6. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION.

6.1 Independent Contractor. 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

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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, 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, advertising, 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. 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 that are not expressly authorized in writing.

6.3 Responsibility, Indemnity, Etc.

A. You will indemnify and hold us, and our current and former affiliates, parents, officers, directors, shareholders, employees, agents, accountants, and attorneys (individually and collectively, the "**Franchisor-Related Persons/Entities**") harmless from all fines, suits, proceedings, claims, demands, actions, losses, damages, costs, fees (including attorneys' fees, related expenses, and interest) and/or any other liability of any kind or nature, however arising, growing out of or otherwise connected with and/or related to any act, error and/or omission of yours (including, but not limited to, your ownership and/or management of your LINE-X Store and/or any transfer of any interest in this Agreement or your LINE-X Store). We will have the right to control all litigation, and defend and/or settle any claim, against and/or including us and/or the Franchisor-Related Persons/Entities, 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.

B. Unless we give you a specific written warranty for a particular item or service, any goods and/or services provided by us, Franchisor-Related Persons/Entities and/or any "approved" 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, Franchisee 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.

7. CONFIDENTIAL INFORMATION; EXCLUSIVE RELATIONSHIP.

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

A. "Confidential Information" includes all 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 and 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, we own and control all domain names and URLs relating to any and all LINE-X Stores, as well as all information, lists and data related to past, present and future customers of your LINE-X Store. Your only interest in any of this Confidential Information is the right 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.

B. Both during and after the term of this Agreement, you agree i) to use the Confidential

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Information only for the operation of your LINE-X Store under a LINE-X Franchise Agreement; 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 iii) to implement all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information.

C. We'll have the perpetual right to use, and to 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.

7.2 Exclusive Relationship, Restrictions on Similar Businesses During Franchise Term and After Transfer, Termination, Expiration, Repurchase, Etc.

A) **In Term Restrictions:** During the term of this Agreement and any successor franchise, 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, will:

1) have any direct or indirect interest anywhere in any business similar to the LINE-X Franchised Business, or in any entity awarding franchises or licenses or establishing joint ventures or other business enterprises for the operation of a similar business; or

2) perform any services anywhere as an employee, agent, representative or in any capacity of any kind for any similar business, or for any entity awarding franchises or licenses or establishing joint ventures to operate similar businesses.

B. **Post Term Restrictions:** For two (2) years after the later of the following terminating events: i) any Transfer, Repurchase and/or Termination of this Agreement; ii) the expiration of this Agreement (if a successor franchise or renewal term is not granted); and/or iii) the date on which you stop operating your final LINE-X Store or using the Marks and/or System, all of the persons and entities named in Section 7.2, A, above:

1) shall not solicit any person, firm or company that has been a LINE-X Customer during the period twelve (12) months prior to termination, 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 Persons/Entity); and

2) shall be subject to all of the restrictions stated in Section 7.2 A, above, with respect to a similar business located, and/or services to be performed, in the Territory and in the territory of any LINE-X Store.

8. FEES.

8.1. Initial Franchise Fee and Reduced Initial Franchise Fees

A. An initial franchise fee (the "Initial Franchise Fee") of Thirty Thousand Dollars ($30,000) is fully earned and payable to us on signing of this Agreement. The Initial Franchise Fee is used, among other things, to offset Franchisor's costs and expenses relating to site selection assistance [if appropriate], initial training, equipment [if appropriate], establishment of suppliers, inspection, testing and other quality control programs, design assistance, project management, initial marketing and grand opening assistance, as well as Franchisor's other costs in helping Franchisee open the franchise. The fee is entirely nonrefundable, with the limited exceptions noted in Sections 3.1 and 4.1A of this Agreement. In our sole discretion, we may reduce this fee for special programs (for example, our "Veterans Program") or situations (for example, conversion of an existing coatings business or small market areas).

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B. If you already own a LINE-X Franchised Business and are in Good Standing, the Initial Franchise Fee will be reduced to Twenty Thousand Dollars ($20,000) for a second LINE-X Store and Fifteen Thousand Dollars ($15,000) for a third LINE-X Store and any additional LINE-X Stores thereafter.

C. If you are converting an existing coating business to a LINE-X Store, the Initial Franchise Fee will be reduced to Twenty Thousand Dollars ($20,000).

D. If your LINE-X Store is located in a small market area with a population under 60,000, the Initial Franchise Fee will be reduced to Fifteen Thousand Dollars ($15,000).

E. If you are an existing LINE-X Franchisee in Good Standing, the Initial Franchise Fee will be reduced to Ten Thousand Dollars ($10,000) if your LINE-X Store is in a small market with a population under 60,000.

F. 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 25% off the Initial Franchise Fee up to $7,500. 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 this Agreement, or you will be required to pay us the initial savings of $7,500.

8.2 Royalty.

A. We do not typically charge a royalty on the revenue that you generate from spraying and selling the LINE-X Products or other products and services. As noted elsewhere, we generate income from the sale of the LINE-X Products to you. You and we have agreed on your commitment to purchase only the LINE-X approved Designated Equipment, LINE-X Products and Services from us or our affiliate. This agreement forms a large part of the underlying financial and business model on which your relationship with us, and the economic provisions of this Agreement, including Royalty rates (and the lack thereof), are based. 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 five percent (5%) on the revenue you generate from the use of any non-LINE-X coating product.

B. If you use and/or obtain Designated Equipment, products and/or services from any source other than the source we require, (or if such restrictions are unenforceable for any reason,) we may terminate this Agreement and we may require you to pay us a royalty of Twelve Percent (12%) of the Gross Volume of your LINE-X Store during any period in which you are in violation of the provisions of this subsection. “Gross Volume” shall mean all revenues (including the proceeds from any Business Interruption insurance) derived, directly or indirectly, from all business conducted upon, from or in connection with the Franchised Business. Gross Volume shall not include the amount of any sales tax imposed by any federal, state or other governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or specifically absorbed therein, and actually paid by Franchisee to such governmental authority. Such 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

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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.

8.3 Interest and Late Fees on Late Payments and/or Reports. On all amounts you owe us and/or our Affiliates, 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. 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 by cashier's check. 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 cash, check or bank debit or transfer, we may charge you for the additional fees and costs that we incur.

8.4 Fees for Customer Complaints, Poor Reports and Audits. If we receive three (3) or more customer complaints per calendar quarter relating to your LINE-X Franchised Business, we may charge you for our costs in 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 in inspecting or auditing your store.

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

9.1 System Compliance, Regular Upgrading.

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). You will not use any equipment or other items, or offer or deal with any products or services, not approved by us.

B. You will maintain your LINE-X Store at your expense according to all of our then-current standards for new units and promptly undertake all changes as are required by us from time to time in our Business Judgment, and as outlined in the Manual. 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 agree at your sole expense that you and your employees will wear then-current LINE-X apparel.

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

A. Your LINE-X Store will purchase, use, offer and deal with each of and only such Designated Equipment, products, including, but not limited to, the LINE-X Products, and services, and deal with 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 Business Judgment. Such suppliers may include, and may be limited to, us, a Franchisor-Related Person/Entity 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 otherwise not authorized by us.

B. 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 30 days of our receipt of all requested information from you.

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C. We can require that various Designated Equipment, products and/or services only be supplied by us, a Franchisor-Related Person/Entity and/or a designee of ours and we and/or one or more Franchisor-Related Person/Entities may derive additional revenues (and possibly profits) as a result of your purchases of such Designated Equipment, products and services.

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. 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 Store. It is your sole responsibility to identify and obtain all authorizations necessary to your operation. Other than the right to use the Marks as provided herein, 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 federal and state income taxes, Social Security taxes, and sales taxes. You will maintain high standards of honesty, integrity, fair dealing and ethical conduct in your business activities. 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.

B. Other than the right to use the Marks as provided herein, 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 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. To the extent you store, processe, transmit or otherwise accesse or possesse cardholder data in connection with the sale of products and services at your LINE-X Store, you are required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the Term of this Agreement. You are 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. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, you must 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. 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 of this Agreement.

9.4 Management and Personnel.

A. You will keep us advised, in writing, of all supervisorial or managerial personnel involved in the operation of your LINE-X Store. Your LINE-X Store must be personally managed on a full-time basis by a person who has successfully completed mandatory training and meets our then-current standards. Your designated manager must successfully complete our manager's training program (which may be provided at our then-current headquarters or other location as we designate) before beginning

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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 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.

B. All employees you hire or employ at the your LINE-X Store will be your employees and your employees alone, and will not, for any purpose, be deemed to be our employees or subject to our direct or indirect control, most particularly 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, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for its employees and operations. We will not have the power to hire or fire your employees. Our authority under this Agreement to train and approve your supervisorial or managerial personnel for qualification 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 or not. 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 related laws. You shall make all necessary filings with, and to 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.

9.5 Insurance.

A. 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 must: 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 must 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,

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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 (covers physical damage to customer vehicles)	$50,000.00 (limit)

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.

6. Cyber Liability Insurance with a minimum coverage amount as set forth in the Manual and/or as otherwise determined by Franchisor and communicated to you.

7. Such insurance as 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 Premises, 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 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, and, on any renewal of such insurance while the Agreement is in effect.

The certificate(s) will provide that:

(a) for Commercial General Liability and Automobile Liability insurance, LINE-X Franchising LLC (and its participating Affiliates) be named as "additional insureds", as their interest may appear, with respect to this Agreement;

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

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

(d) 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" must 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 general liability 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 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 hold us harmless from all such losses, claims and/or causes of action. 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.

G. Your obligation to obtain and maintain the forgoing 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.

10. MARKETING.

10.1 Marketing Fund.

A. Our parent, LINE-X LLC, has 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 of either (i) $0.10 to $0.20 per pound of Coating Products purchased from LINE-X LLC, or (ii) a percentage of your Gross Volume (not to be less than 1% of Gross Volume, nor more than 5% of Gross Volume). Such Marketing Fund Contribution will be payable at the same time and in the same manner as you pay for the Coating Products, or, in the case of a Marketing Fund Contribution based on a percentage of Gross Volume, you must pay monthly as we require. We may require contributions to the Marketing Fund on thirty (30) days' Notice and may cancel or put-on hiatus the Marketing Fund on thirty (30) days' Notice.

B. We have sole discretion over all matters relating to the Marketing Fund, and all related matters (consistent with its purposes and the provisions of this Agreement). The Marketing Fund may be

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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 our parent 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 advertising and other items produced using the Marketing Fund.

C. We and/or any Franchisor-Related Persons/Entities can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Marketing Fund, provided that any such compensation must 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. While we're not required to do so, if we have formed a franchise advisory council (FAC) and submit any matters for approval to the FAC and approval is granted by a majority of the members, the approval will be binding on you.

D. 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 by the relevant Franchise Agreements. 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. Such statements may be audited and any related accounting/auditing costs will be paid by the Marketing Fund. Funds in the Marketing Fund must be expended, prior to termination of the Marketing Fund, only for the purposes authorized by the relevant Franchise Agreement(s.) No profit, gain or other benefit will directly accrue to us from the Marketing Fund. All interest earned on monies contributed to, or held in, the Marketing Fund will be remitted to the Marketing Fund and will be subject to the restrictions of the relevant Franchise Agreement(s.)

E. You acknowledge and agree that <u>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 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</u>.

F. Subject to the express requirements of this Agreement that your contributions will only be spent as authorized herein, 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 Marketing Activities</u>.

A. We recommend that you spend 5% of your Gross Volume each quarter on local advertising and promotion of your LINE-X Store. We reserve the right, at our sole discretion, to make this recommendation a requirement in the future. We can require you to spend up to seven percent (7%) of your Gross Volume each quarter on local advertising and marketing activities. We will designate the percentage that you must spend on local advertising and marketing with 60 days advance written notice to you. We may lower or raise (not to exceed 7%) this amount. Upon our request, you will submit verification of your expenditures in a form prescribed by us in our Business Judgment.

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B. Your advertising will be in good taste and conform to ethical and legal standards and our requirements. Your advertising and use of the Marks in advertising may not be associated with off-color content, pornography, vulgarities, or other unsuitable content. We may require you to submit samples of all advertising 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 advertising based on our Business Judgment. You agree not to use any materials or programs disapproved by us.

C. We must approve any form of co-branding, or advertising with other brands, products or services, in writing, in advance.

D. You must confine all marketing efforts, including, but not limited to, 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 advertising 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 advertising, 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. Franchisor 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 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.

10.4 Social Media Activities. As used in this Agreement, the term "Social Media" is defined as a network of services, 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 must 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 your LINE-X Store must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. 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 the LINE-X Store that does not comply with this Agreement or the Manual.

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11. RECORDS AND REPORTING.

11.1 Bookkeeping, Accounting and Records. You must maintain books and records, including records of purchases and sales, tax returns, and other records typical for a business of this type and size. 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 and information; records of complaints and warranty obligations; and such other data as we may from time to time require. If we request it, you will provide to us such information regarding the customer data and information; 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.

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 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 accounting software designated by us (currently, "Quick Books Pro"), and maintain your books, including expense line items, in the format designated by us.

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 and related activities and items and record 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, to inspect and/or audit business records relating in any way to your LINE-X Store and 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, sales and income tax records and returns, cash register tapes, invoices, and deposit receipts. Our right to audit includes the right to access all cash registers, computers and other equipment by electronic means. You agree to cooperate fully with such an audit. We will have the right to conduct an audit and/or review of all information pertaining to the Store upon termination or expiration of this Agreement.

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, for aggregate statistical purposes, such as 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

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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.

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; any such transferee shall appear at the time of the transfer to have financial resources reasonably appropriate to fulfill its obligations under this Agreement. If we transfer this Agreement, only the transferee will have obligations to you and our obligations (and those of any of the Franchisor-Related Persons/Entities) will be extinguished. You specifically agree that we may be sold and/or we may sell 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 competitive 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 such owners. Therefore, this Agreement, the Franchise, the Franchisee, or your LINE-X Store (or any interest in, or the ownership or assets of, any of them) may not be transferred without our prior written approval. We may place reasonable conditions on our approval of any transfer by you.

13.3 Conditions for Approval of Any Transfer.

A. All of the following conditions must be met prior to, or concurrently with, the effective date of any transfer. We may waive any condition in our sole and absolute discretion.

1) You must 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 must expressly assume all obligations under all such agreements.

2) The transferee and its owners must meet our then-current requirements for new franchisees, including but not limited to business experience, aptitude and financial resources, and the transferee must complete or agree to complete our training program for new franchisees.

3) You must come 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 must be satisfied or assumed by the transferee.

5) Your LINE-X Store must 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 must, 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

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in the grant of franchises; 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 must 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,) must sign a General Release.

10) You must provide customer and warranty information to the transferee, and the transferee must 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 7.2 B, above.

B. We may withhold or condition our consent to any transfer if we believe that the terms of transfer jeopardize the economic viability of the franchise and/or if we would not normally directly award a franchise in such a situation.

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 which 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 you are not able to personally, 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.

14. FRANCHISE RENEWAL

14.1 Your Rights.

A. If you are awarded this Agreement for the initial term of your franchise, then this Agreement terminates at the expiration of the initial term. At that time, subject to the provisions of this Section 14, you will be eligible to be awarded a successor franchise. The successor Franchise Agreement may differ materially from this one in financial and other ways and terms, such as, the successor agreement may have a royalty-based fee structure. Subject to all the provisions in this Agreement, the successor term(s) will be for two (2) additional consecutive five (5) year periods, but you

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must meet all the successor and renewal criteria and complete any required refresher training, as set forth in this Agreement, at the end of the first five (5) year successor term before exercising the second five (5) year successor term.

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 will be considered to be 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, in certain circumstances.

14.2 Notice of Election.

A. This Agreement does not automatically renew, nor is any successor franchise automatically awarded. You must 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 initial term of this Agreement, and you must satisfy the requirements set forth in Section 14.3, below. Within ninety (90) days after our receipt of the notice, we will give to you in writing:

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

2) our then-current requirements relating to the image, appearance, and equipping for a LINE-X Store (collectively, the "specifications and standards then-applicable for new LINE-X Stores").

B. If you are subject to a Correction Process 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. Any award of the successor franchise must meet all of the following conditions, together with the then-current standards applicable to successor franchisees:

A. You (and each affiliate of yours) must be in Good Standing;

B. Your LINE-X Store and its operations must fully comply with all specifications and standards then-applicable for new LINE-X Stores and with the Manual by the expiration of this Agreement;

C. You (and each affiliate of yours) must have paid all amounts owed to us and any Franchisor-Related Persons/Entities;

D. You must have executed our then-current form of Franchise Agreement and related documents then customarily used by us (with appropriate modifications to reflect the fact that the

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Franchise Agreement to be awarded relates to a single successor franchise as contemplated by this Agreement). You will not be required to pay the then-current initial franchise fee. Other than a modified/refresher training program, 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;

E. You must have complied with our then-current qualification and training requirements, including, but not limitied to, attending a modified/refresher training program. Either you or your general manager must attend a modified training program upon renewal. There will be no charge for any retraining program(s), but you will be responsible for all travel, meals, lodging and other expenses of your personnel; and

F. You (and each owner and/or affiliate of yours) must have executed a General Release, except for any claims exclusively related to the successor franchise (where expressly so required by applicable law).

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 by you not to obtain the successor franchise.

15. TERMINATION OF THE FRANCHISE.

15.1 Defaults with No Right to Cure. This Agreement will automatically 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 for more than seven (7) consecutive calendar days;

C. make any material misrepresentation or omission in your application for the Franchise, including (but not limited to) failure to disclose any prior litigation or criminal convictions (other than minor traffic offenses);

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, us or the goodwill associated with the Marks (including, but not limited to, child abuse, health or safety hazards, drug or alcohol problems, or permitting unlawful activities at your LINE-X Store);

F. make, or attempt to make, an unauthorized "transfer" as defined in this Agreement or surrender control without our prior written approval;

G. violate any of the In Term or Post Term Restrictions against competition provided in 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 twelve (12) month period, whether or not resolved; and

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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.

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 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;

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 report due under this Agreement;

4) failure to make payments of any amounts due us, any Franchisor-Related Person/Entity, 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 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

7) 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, 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 must undertake diligent efforts within such ten (10) day period to come into full compliance. You must 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 must be fully cured within thirty (30) days after delivery of the initial written notice to you of Termination.

15.3 Repeated Defaults. This Agreement will automatically 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 Persons/Entities) 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

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Franchisor-Related Persons/Entities) and you (or any owner or Affiliate of yours) may be regarded as a default under this Agreement.

15.5 Failure to Meet Performance Standards.

A. You and we have a shared interest in your LINE-X Store performing at or above the LINE-X System Standards, and meeting or exceeding certain minimum levels of product purchases ("Minimum Purchase Standards"). Together the System Standards and Minimum Purchase Standards are referred to as the "Performance Standards." We would not have entered into this franchise relationship with you if we had anticipated that you would not meet or exceed the Performance Standards. We have developed a “Platinum 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.

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.) 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. LINE-X Minimum Purchase Standard. At any time, we may choose, in our Business Judgment, to compare your purchases to the then-current “Minimum Purchase Standard.” Our current Minimum Purchase Standard is 925 pounds of Coating Products per month per 100,000 persons in your Territory. For territories with smaller or larger populations, the amount of Coating Products used to calculate the Minimum Purchase Standard is *pro rated*.

If for two (2) consecutive quarters (or three quarters in any 24 months) you drop below the Minimum Purchase Standard, or any replacement standard, or if you fail to purchase Coating Products in any three (3) month period, we can, at our election, (i) reduce the size of your Territory; and/or (ii) terminate the exclusivity in your Territory and permit other franchisees to market in your Territory; and/or (ii) award other franchises in your Territory; and/or (iv) terminate this Agreement. In any case, we reserve the right to add or discontinue client products in the future as market changes and technology evolve, or for other reasons in our Business Judgment, which may result in modification of the Minimum Purchase Standard.

D. We reserve the right to make reasonable revisions to elements of the Minimum Purchase and/or System Standards on 90 days written advance notice to you.

E. We may (but are not required to) implement the correction process described in 15.5 F, below, if you fail to meet System Standards or Minimum Purchase Standard.

F. Correction Process

1) If we notify you of your failure to meet any Performance Standard, then you will have ninety (90) days from our delivery of written notice to you in accordance with Section 18, below, to meet all applicable Standards.

2) We will reasonably cooperate with and 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 re-training fee (maximum: $1,500).

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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.

G. If within such ninety (90) days your LINE-X Store does not meet the required Performance Standards, then we can reduce, eliminate or otherwise modify your territorial rights.

H. 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.

15.6 Non-Exclusive Remedies. Whenever we have a right to terminate this Agreement, we (and any Franchisor-Related Person/Entity) 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. In every instance in which we have the right to terminate this Agreement under this Section 15, we may elect in our Business Judgment to cancel any and/or all of your territorial rights.

15.7 Our Right To Discontinue Supplying Items Upon Default. We and any Franchisor-Related Persons/Entities have the right, in addition to all other rights and remedies, to require upon the issuance of a default that you pay by certified check, or pre-pay for any goods/services related to the operation of your Franchise Business. We and any Franchisor-Related Persons/Entities also have the right to stop selling and/or providing any goods and/or services to you until you have cured all defaults.

15.8 Prompt Notice of Claims by You. If you claim that a default has been committed by us (or that you have any other basis for terminating your obligations and our rights under this Agreement or making any other claim against us,) you must give us written notice and thirty (30) days to cure. If we cannot reasonably cure within such thirty (30) day period, and we are diligently continuing efforts to cure, then we will have ninety (90) days to cure. Any applicable statutes of limitations will be tolled during such 30/90-day periods. You further understand that you are not permitted to terminate this Agreement for any default committed by us, except as permitted by applicable law.

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

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

16.2 Intellectual Property, Confidential Information, Trade Dress, Etc. After any Transfer, Termination or expiration of the Franchise:

A. You agree to immediately and permanently discontinue your LINE-X business and any use of the Intellectual Property and/or the Confidential Information, and will not use any similar or derivative marks, or materials, or colorable imitations of any of the Intellectual Property in any medium or manner or for any purpose;

B. You will return to us or (at our option) destroy all Manuals, forms, materials, signage and any other items containing any Intellectual Property or Marks, or otherwise identifying or relating to a LINE-X Store (to the extent they have not been assigned in connection with an authorized Transfer);

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C. You will take such actions as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any Mark which have not been assigned in connection with an authorized Transfer;

D. You will remove from the Premises any distinctive signage, physical and/or structural features associated with the LINE-X Store(s), so that the Premises are 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);

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; and

F. You will furnish to us within thirty (30) days satisfactory evidence of your compliance with the obligations described in this Section 16.2 and in Section 16.3, below. If you operate any business using any of the Intellectual Property, 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, advertising 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 (collectively, the "Numbers"), and any related directory listings/advertising, used in connection with the operation of your LINE-X Store. We may, in our Business Judgment, require you to sign an assignment of such Numbers prior to training or at another time. After any Termination, Repurchase and/or expiration of the Franchise, you will promptly transfer, call-forward, discontinue or otherwise deal with the Numbers and any related directory listings/advertising as we direct, at your own 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/advertising if you do not do so yourself within ten (10) days after the Termination, Repurchase or expiration of this Franchise. Such companies may accept this Agreement as conclusive evidence of our exclusive rights in such Numbers and related directory listings, web pages and advertising/marketing. If we are required to pay any amounts owed by you, to any telephone/communication services provider or otherwise, in connection with our exercising our rights under this Section or otherwise obtaining/exercising 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.

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. Our remedies will include (but are not limited to) the right to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to us or any Affiliates of ours. 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 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 Program, Intellectual Property, Marks, System, Trade Dress, materials, supplies and anything

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else utilized in the creating or delivery of the LINE-X Program 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 Persons/Entities."

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: 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 this Agreement, or its breach 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 waiving all rights to any court proceeding, except as expressly provided below at Section 17.1 D. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration.

B. Confidentiality: The parties to any arbitration will sign confidentiality agreements. 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 (a) injunctive relief as to the validity of the Marks and/or any intellectual property licensed to you and use of the Marks or other intellectual property licensed to the you, (b) injunctive relief for health and safety issues and violations, or (c) injunctive relief as to the validity and enforcement of the covenants not to compete, may be submitted to Court, provided that only the portion of any such claim or dispute requesting injunctive relief shall be subject to Court action, and any portion of such claim or dispute seeking monetary damages or other relief will be subject to the Claim Process outlined above in paragraph 17.1.A.

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 Disclosure Document required by a state/province 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;

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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 class member in 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; and

6) 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 will be brought in the state or Federal court in whose jurisdiction our then-current headquarters 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 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.

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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 except that we will not do so arbitrarily. 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 must 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 Alabama; 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 Alabama 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 Persons/Entities 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 Persons/Entities will be joint and several.

18. NOTICES.

All written notices and reports to be delivered by the provisions of this Agreement or of the Manual will be deemed so delivered when delivered by hand, immediately on transmission by facsimile transmission or other electronic system, including e-mail or any similar means, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested,

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postage prepaid and addressed to us at LINE-X, Franchising LLC at our then-current headquarters) to the attention of the CEO, and 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, pandemics, epidemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, 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 (vi) 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 not apply or not result in an extension of the term of this Agreement.

20. ACKNOWLEDGMENTS AND REPRESENTATIONS, ENTIRE AGREEMENT, NO FIDUCIARY RELATIONSHIP, ETC.

A. 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 arms length dealings.

B. 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 {collectively, the 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 (excepting only 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. 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.

C. You acknowledge and agree that Franchisor 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.

[Signatures on Following Page]

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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 Franchising LLC
a California 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:_____

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LINE-X Franchising LLC
Exhibit 1

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

In consideration of, and as an inducement to, the execution by LINE-X Franchising LLC, a California 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 Persons/Entities (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 Persons/Entities 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 Persons/Entities 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

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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 Persons/Entities 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 Persons/Entities 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)	PERCENTAGE OF OWNERSHIP OF BUSINESS ENTITY FRANCHISEE
_____	_____%
_____	_____%
_____	_____%
_____	_____%

Business Entity Franchisee:

_____, a _____ corporation.

By: _____

Print Name: _____

Its: _____

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LINE-X Franchising LLC
Exhibit 2.1

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 Franchising LLC
A California limited liability company

By: _____

Print Name: _____

Title:_____

FRANCHISEE:

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

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LINE-X Franchising LLC
Exhibit 2.2

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 Franchising LLC
a California limited liability company

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

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LINE-X Franchising LLC
Exhibit 2.3

FORM OF MOBILE APPLICATOR AGREEMENT

[Only to be signed when/if you meet our criteria which includes, but is not limited to, being in good standing, attending specialized training, obtaining the designated mobile applicator equipment, obtaining requisite insurance, and satisfying other criteria].

MOBILE APPLICATOR AGREEMENT

This Mobile Applicator Agreement (this "**Agreement**") is entered into this __ day of _____ 20__ ("**Effective Date**"), by and between **LINE-X Franchising LLC,** a California limited liability company, ("**LINE-X**") and _____ _____ ("**Franchisee**").

RECITALS

A. LINE-X and Franchisee are parties to that certain franchise agreement dated _____ (the "**Franchise Agreement**"), pursuant to which LINE-X granted to Franchisee certain rights to purchase and use certain proprietary polyurethane and polyurea based products known as LINE-X® brand coatings (the "**Coating Products**") at an accepted location (the "**Premises**").

B. Franchisee is currently in Good Standing (as that term is defined in the Franchise Agreement), has attended and completed specialized training for mobile applicators, has purchased the designated equipment for mobile applications, has the requisite insurance, and has met such other reasonable criteria that have been established by LINE-X.

C. Franchisee now desires to obtain the right to spray/apply the Coating Products away from the Premises ("**mobile applications**").

D. Pursuant to and in compliance with the terms of this Agreement, LINE-X is willing to grant the non-exclusive right to Franchisee to use the Coating Products to perform mobile applications within a specified territory.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

1. **Term**. Commencing on the Effective Date, this Agreement shall be for a one (1) year term, unless sooner terminated as provided herein. Thereafter, this Agreement will automatically renew on a year-to-year basis, but in no event shall the renewal term extend beyond the term of the Franchise Agreement. Either party may terminate this Agreement upon thirty (30) days prior written notice to the other party.

2. **Territory.** Franchisee will have the right to perform mobile applications using the Coating Products in the Territory granted to Franchisee under the Franchise Agreement. Franchisee will not perform mobile applications outside the Designated Territory without the prior written consent of LINE-X. Mobile applications performed outside the Designated Territory may not include applications that might typically be sprayed inside a LINE-X Store, like pick-up trucks.

3. **Use of the Trademarks ("Marks").** Franchisee will have a non-exclusive right to use the Marks as expressly authorized under the Franchise Agreement. Nothing in this Agreement shall be construed to grant Franchisee any proprietary rights or goodwill rights to the Marks.

4. **Purchases.** Franchisee will purchase all Coating Products and/or equipment as required under the terms of the Franchise Agreement. Franchisee will not use any equipment or other items, or offer or deal with any products or services, not approved by LINE-X for mobile applications.

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5. **Insurance**. In addition to the insurance required under the Franchise Agreement, Franchisee must carry and maintain any additional liability insurance coverage necessary to satisfactorily cover its obligations under this Agreement. Upon LINE-X's request, Franchisee will provide LINE-X with a Certificate of Insurance evidencing such coverage.

6. **Good Standing.** In addition to complying with the terms of this Agreement, Franchisee must comply with all material terms of the Franchise Agreement and be in Good Standing at all times in order to continue providing mobile applications.

7. **Additional Training.** Franchisee will attend additional and/or refresher training for mobile applications as may be reasonably required by LINE-X from time to time.

8. **Termination of this Agreement.** If Franchisee fails to comply with the terms of this Agreement or fails to remain in Good Standing under the Franchise Agreement, then LINE-X may terminate this Agreement upon delivery of written notice to Franchisee in accordance with the terms of the Franchise Agreement. Franchisor reserves the right to cancel this Agreement if it receives three (3) or more material customer complaints about the quality of Franchisee's mobile work in any twelve month period, whether or not such complaints are resolved.

9. **Warranties and Disclaimers.** All warranties and disclaimers set forth in the Franchise Agreement will apply to this Agreement. Franchisor has no obligation or liability pursuant to any warranty issued by Franchisee.

10. **Notice**. Any notice required by this Agreement shall be given in accordance with the Notice provision in the Franchise Agreement.

11. **Assignment.** Franchisee shall not assign or otherwise transfer its rights under this Agreement without the prior written consent of LINE-X. LINE-X shall have the right to assign and transfer this Agreement and all rights hereunder which shall be binding upon and inure to the benefit of LINE-X's successors and assigns.

12. **Severability.** If any part of this Agreement is adjudged by a court to be invalid, that judgment shall not affect or nullify the remainder of this Agreement.

13. **Entire Agreement.** This Agreement is the entire agreement between the parties concerning the subject matter hereof and supersedes all prior or contemporaneous representations, discussions, proposals, negotiations, conditions, communications and agreements, whether oral or written, between the parties. Provided, however, that this Agreement is not intended to modify or supersede the Franchise Agreement. No amendment, modification or waiver of any provision of this Agreement shall be effective unless in writing and signed by the parties.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed by their duly authorized representatives.

LINE-X Franchising LLC
a California limited liability company

By: _____

Print Name:_____

Title: _____

FRANCHISEE

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

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EXHIBIT C TO

LINE-X FRANCHISING LLC

DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

EXHIBIT C (1)

LINE-X FRANCHISING LLC

AUDITED FINANCIAL STATEMENTS

LINE-X Franchising LLC

Financial Statements

For the three months ended September 30, 2020
and the year ended June 30, 2020

This report was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

LINE-X Franchising LLC

Financial Statements

For the three months ended September 30, 2020 and the year ended June 30, 2020

Line-X Franchising LLC

Financial Statements

For the three months ended September 30, 2020 and the year ended June 30, 2020

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www.bdo.com

501 Commerce Street, Suite 1400
Nashville, TN 37203

Independent Auditor's Report

Board of Directors
LINE-X Franchising LLC
Huntsville, Alabama

We have audited the accompanying financial statements of LINE-X Franchising LLC, which comprise the balance sheets as of September 30, 2020 and June 30, 2020, and the related statements of operations and member's deficit, and cash flows for the three months ended September 30, 2020 and the year ended June 30, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LINE-X Franchising LLC as of September 30, 2020 and June 30, 2020, and the results of its operations and its cash flows for the three months ended September 30, 2020 and the year ended June 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Parental Support

As more fully described in Note 5 to the financial statements, the Company is relying on its parent, LINE-X LLC, to provide financial support for its operating, investing, and financing activities. LINE-X LLC has pledged its intent and ability to provide such support for at least twelve (12) months after the issuance of these financial statements. Our opinion is not modified with respect to this matter.

BDO USA, LLP

February 18, 2021

Financial Statements

Line-X Franchising LLC

Balance Sheets

As of	**September 30, 2020**	June 30, 2020
Assets		
Current assets		
Accounts receivable	**$ 12,000**	$ -
Total current assets	**12,000**	-
Total assets	**$ 12,000**	$ -
Liabilities and member's deficit		
Current liabilities		
Accrued expenses	**$ 485,026**	$ 494,694
Deferred revenue	**383,500**	291,925
Total current liabilities	**868,526**	786,619
Total liabilities	**868,526**	786,619
Member's deficit	**(856,526)**	(786,619)
Total liabilities and member's deficit	**$ 12,000**	$ -

See accompanying notes to financial statements.

Line-X Franchising LLC

Statements of Operations and Member's Deficit

	Three months ended September 30, 2020	Year ended June 30, 2020
Franchise fee revenue	**$ 77,925**	$ 508,075
Operating expenses		
Sales and marketing	**22,625**	183,050
Salaries and benefits	**809,867**	3,766,997
General and administrative	**19,453**	244,997
Total operating expenses	**851,945**	4,195,044
Net loss	**(774,020)**	(3,686,969)
Member's deficit at beginning of period	**(786,619)**	(615,438)
Member contributions	**704,113**	3,515,788
Member's deficit at end of year	**$ (856,526)**	$ (786,619)

See accompanying notes to financial statements.

Line-X Franchising LLC

Statements of Cash Flows

	Three months ended September 30, 2020	Year ended June 30, 2020
Cash flows used in operating activities		
Net loss	**$ (774,020)**	$ (3,686,969)
Adjustments to reconcile net loss to cash used in operating activities:		
Change in operating assets and liabilities		
Accounts receivable	**(12,000)**	10,833
Accrued expenses	**(9,668)**	131,498
Deferred revenue	**91,575**	28,850
Net cash used in operating activities	**(704,113)**	(3,515,788)
Cash provided by financing activities		
Member contributions	**704,113**	3,515,788
Net cash provided by financing activities	**704,113**	3,515,788
Net change in cash	**-**	**-**
Cash, beginning of year	**-**	-
Cash, end of year	**$ -**	$ -

See accompanying notes to financial statements.

1. Description and Formation of the Company

Nature of Operations

LINE-X Franchising LLC (the "Company") was formed on December 17, 2008 and is engaged primarily in the sale of LINE-X franchises within the United States that are used principally for the application of spray-on truck bed liners. Within the United States, sixteen (16) states require registration from a franchisor for the purpose of selling new franchises. In addition, the Company changed its fiscal year end from June 30, 2020 to September 30, 2020 effective July 1, 2020. As a result, this report includes the transition period from July 1, 2020 through September 30, 2020. The Company provided services to 441 and 444 franchisees in operation at September 30, 2020 and June 30, 2020, respectively. During the periods presented, the following number of franchise stores were either sold, terminated (both voluntary and involuntary), or transferred:

	Three Months Ended 9/30/2020	Year Ended 6/30/2020
Outlets at Start of Year	444	435
Outlets Opened	3	17
Terminations	(6)	(4)
Ceased Operations	-	(4)
Transfers From	(4)	(14)
Transfer To	4	14
Outlets at End of Year	441	444

Ownership

LINE-X Franchising LLC is a wholly owned subsidiary of LINE-X LLC (“the sole member”). In addition, the sole member is directly owned by IXS Intermediate Holdings LLC which is directly owned by Innovative XCessories & Services LLC and is indirectly owned by IXS Holdings, Inc. and ultimately, Ignition Intermediate, Inc. The Company transacts with certain entities under common control of its direct and indirect parents. Refer to Note 3 for additional information.

LINE-X Franchising LLC is a single member limited liability company. The terms of the Company's operating agreement limit personal liability. No director, officer, shareholder, partner, employee or agent of the parent can be held personally liable for amounts owed to the Company by the parent or for the performance of any covenant or agreement between the parent and the Company.

COVID-19 Pandemic

Beginning in March 2020, and continuing through the date of this report, the COVID-19 pandemic has developed rapidly with a significant number of cases in the United States and throughout the world. Measures taken by various governments to contain the virus have affected economic activity. The adverse economic effects of COVID-19, including the temporary shutdowns across the country, had a negative impact on the revenues of the Company from March 2020 through September 2020. In response, the Company took a number of measures to mitigate the adverse impacts of COVID-19, including temporary workforce reductions. While the Company experienced an impact to its business, operations and financial results from the COVID-19 pandemic, it may have even more far-reaching impacts on many aspects of its operations including the impact on customer behaviors,

business operations, its employees, and the market in general. The extent to which the COVID-19 pandemic ultimately impacts our business, financial condition, results of operations, cash flows, and liquidity may differ from management's current estimates due to inherent uncertainties regarding the duration and further spread of the outbreak, actions taken to contain the virus, as well as, how quickly and to what extent normal economic and operating conditions can resume. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The Company is actively monitoring the impact of the pandemic on its financial condition, liquidity, operations, industry, and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Company is not able to estimate the future effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity.

2. Summary of Significant Accounting Policies

Franchise Fee Revenue

The Company recognizes franchise fee revenue on the date the franchise is ready to begin operations, at which time the Company has substantially performed its obligations relating to such fees in accordance with Accounting Standards Codification ("ASC") 605, Revenue Recognition. Franchise fees collected in cash prior to the Company substantially performing its obligations are recorded as deferred revenue in the liability section of the accompanying balance sheets. The Company also recognizes transfer fees for each franchise transferred to other independent franchisees. Transfer fee revenue for the three months ended September 30, 2020 and the year ended June 30, 2020 was $45,500 and $148,000, respectively, and is included in franchise fee revenue in the accompanying statements of operations and member's deficit. Accounts receivable balances are routinely assessed for collectability and reserves are recorded on a case-by-case basis. As of September 30, 2020, and June 30, 2020, no reserves for uncollectible accounts had been recognized.

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

Going Concern

The Company follows the provisions of the FASB issued Accounting Standards Update ("ASU") No. 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The objective of the amendments in this ASU is to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. Accordingly, the Company has disclosed additional information related to uncertainties about its ability to continue as a going concern in Note 5.

3. Related Party Transactions

Included in the statements of operations and member's deficit are certain charges from the sole member, the Company's parent, for selling, general and administrative support function expenses incurred on the Company's behalf. The charges relate to payroll related expenses, legal, and travel related costs. Total expenses charged from the sole member were $704,113 and $3,515,788 for the three months ended September 30, 2020 and the year ended June 30, 2020, respectively. Such charges have been reflected as member contributions in the statements of operations and changes in member's deficit.

These allocated charges are not necessarily indicative of the actual charges that might have been incurred or realized had the Company operated as an unaffiliated entity during the periods presented.

The Company obtained the right to license the LINE-X trademarks from its parent company. The Company does not incur a fee from the sole member for the rights obtained.

4. Commitments and Contingencies

The Company may be involved, from time to time, 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 is 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, Inc. Under this arrangement, the Company has pledged as collateral all of its assets.

5. Going Concern & Continuing Parental Support

The Company is dependent upon continued financial support from its parent, LINE-X LLC. In addition, the Company is dependent upon LINE-X LLC providing proprietary chemicals directly to franchisees. The parent has committed, in writing, its intent and ability to continue operations and provide financial support to the company's operations for at least a period of twelve (12) months after February 18, 2021, the date the financial statements were available for issuance.

6. Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2020 through February 18, 2021, which reflects the date the financial statements were available for issuance.

LINE-X FRANCHISING LLC

Huntsville, Alabama

FINANCIAL STATEMENTS

June 30, 2019 and 2018

LINE-X FRANCHISING LLC
Huntsville, Alabama

FINANCIAL STATEMENTS
June 30, 2019 and 2018

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Line-X Franchising LLC
Huntsville, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of Line-X Franchising LLC, which comprise the balance sheets as of June 30, 2019 and 2018, and the related statements of operations and member's deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Line-X Franchising LLC as of June 30, 2019 and 2018, 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.

Crowe LLP

Franklin, Tennessee
September 23, 2019

LINE-X FRANCHISING LLC
BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Notes receivable (Note 3)	$ 10,833	$ 3,237
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities		
Deferred revenue	$ 263,075	$ 145,000
Accrued expenses	363,196	338,006
Total current liabilities	626,271	483,006
Member's deficit	(615,438)	(479,769)
	$ 10,833	$ 3,237

See accompanying notes to financial statements.

LINE-X FRANCHISING LLC
STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT
For the years ended June 30, 2019 and 2018

	2019	2018
Franchise revenue	$ 375,000	$ 649,500
Operating expenses		
General and administrative expenses	3,242,711	3,303,355
Loss before other income	(2,867,711)	(2,653,855)
Other income:		
Interest income	34	330
Net loss	(2,867,677)	(2,653,525)
Member's deficit at beginning of year	(479,769)	(455,492)
Member contributions	2,732,008	2,629,248
Member's deficit at end of year	$ (615,438)	$ (479,769)

See accompanying notes to financial statements.

LINE-X FRANCHISING LLC
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Net loss	$ (2,867,677)	$ (2,653,525)
Adjustments to reconcile net loss to net cash from operating activities		
Change in assets and liabilities:		
Accrued expenses	25,190	26,751
Deferred revenue	118,075	(10,000)
Net cash from operating activities	(2,724,412)	(2,636,774)
Cash flows from investing activities		
Net proceeds from notes receivable	(7,596)	7,526
Net cash from investing activities	(7,526)	7,526
Cash flows from financing activities		
Member contributions	2,732,008	2,629,248
Net cash from financing activities	2,732,008	2,629,248
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	$ -	$ -
Supplemental Disclosures		
Supplemental disclosures of cash flow information		
Interest received	$ 34	$ 330

See accompanying notes to financial statements.

NOTE 1 - DESCRIPTION AND FORMATION OF THE COMPANY

Nature of Operations: Line-X Franchising LLC (the "Company") is engaged primarily in the sale of Line-X franchises within the United States that are used primarily for the application of spray-on truck bed liners. Within the United States, sixteen states require registration from a franchisor for the purpose of selling new franchises. The Company provided services to 454 and 438 franchisees in operation at June 30, 2019 and 2018, respectively. During 2019, 26 new stores were opened, 10 stores were terminated and 16 stores were transferred to other independent franchisees.

Line-X Franchising LLC is a single member limited liability company. Line-X Franchising LLC is wholly-owned by its parent, Line-X LLC, which is a wholly-owned subsidiary of IXS Holdings, Inc. The terms of the Company's operating agreement limit personal liability. No director, officer, shareholder, partner, employee or agent of the parent can be held personally liable for amounts owed to the Company by the parent or for the performance of any covenant or agreement between the parent and the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents: The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Franchise Fees: The Company recognizes initial franchise fees as deferred revenue and recognizes revenue on the date the franchise is ready to begin operations, at which time the Company has substantially performed its obligations relating to such fees. The Company also recognizes transfer fees for each franchise transferred to other independent franchisees. Transfer fee revenue for the years ended June 30, 2019 and 2018 was $77,500 and $117,000, respectively, and is included in franchise revenue on the accompanying statements of operations and member's deficit.

Income Taxes: Line-X Franchising LLC is a limited liability company whereby, in lieu of corporate income taxes, the member is taxed on the Company's taxable income. Therefore, these financial statements do not include a provision for income taxes for Line-X Franchising LLC.

The Company follows guidance issued by the FASB with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded.

The Company is not aware of any uncertain tax positions at June 30, 2019 and 2018 and does not expect uncertain tax positions to change in the next twelve months. The Company recognized no amounts for interest and penalties related to unrecognized tax positions during 2019 and 2018 and had no amounts accrued for interest and penalties, as of June 30, 2019 and 2018. The Company’s major tax jurisdictions are the United States government and various state governments. Tax years 2016 through 2019 remain open and are subject to examination by various government agencies in the United States.

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

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Going Concern: The Company follows the provisions of the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The objective of the amendments in this ASU is to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. Accordingly, the Company has disclosed additional information related to uncertainties about its ability to continue as a going concern (Note 6).

Subsequent Events: Management has performed an analysis of the adjustments and transactions subsequent to June 30, 2019 to determine the need for any adjustments or disclosures for the year ended June 30, 2019. Management has performed their analysis through September 23, 2019, the date the financial statements were available to be issued.

NOTE 3 - NOTES RECEIVABLE

The Company occasionally allows franchisees to finance the initial franchise fee. Notes receivable consist of the following:

	2019	2018
A note from a franchisee accrues interest at 4.5% and has a term of two years. Monthly payments, including interest, are $655 through 2018.	$ -	$ 3,237
A note from a franchisee that has a term of eighteen months and monthly payments of $833 through 2020.	10,833	-
Less: current portion	(10,833)	(3,237)
Notes receivable less current installments	$ -	$ -

The Company reviews balances monthly and specified amounts are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company did not write off any receivables during 2019 or 2018. There was no allowance recorded at June 30, 2019 and 2018.

NOTE 4 - RELATED PARTY

Included in the statements of operations are certain charges from Line-X LLC, the Company's parent, for selling, general and administrative support function expenses incurred on the Company's behalf. The charges relate to payroll and payroll related expenses, legal, and travel related costs. Total expenses charged from Line-X LLC were $2,732,008 and $2,629,248 for the years ending June 30, 2019 and 2018, respectively.

These allocated charges are not necessarily indicative of the actual charges that might have been incurred or realized had the Company operated as an unaffiliated entity during the periods presented. Moreover, no independent studies or third party valuations have been obtained to validate the reasonableness of these allocated charges.

(Continued)

NOTE 4 - RELATED PARTY (Continued)

At June 30, 2019 and 2018, the Company has amounts due to its parent of $14,260,683 and $11,528,675, respectively. These amounts have been recorded as contra-equity as they represent the allocation of expenses to the Company and are not expected to be repaid. Transactions with the parent may not be at arm's length.

The net of the amounts due to Line-X LLC at the end of each year are recorded as member contributions in the accompanying statements of operations and member's deficit.

The Company obtained the right to license the Line-X trademarks from its parent company, Line-X LLC. The Company does not incur a fee from Line-X LLC for the rights obtained.

NOTE 5 - CONTINGENCIES

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of Company management, and consideration of all facts available at the time, the ultimate dispositions of these matters is not expected to have a material adverse effect on the financial position, results of operations or liquidity of the Company.

NOTE 6 - CONTINUING PARENTAL SUPPORT

As a result of the financial performance, the Company is dependent upon continued financial support from its parent, Line-X LLC. The parent has committed in writing to continue operations and provide financial support for operations into the foreseeable future and beyond 12 months after September 23, 2019.

EXHIBIT C (2)

LINE-X LLC

AUDITED FINANCIAL STATEMENTS

LINE-X LLC

Consolidated Financial Statements

For the three months ended September 30, 2020
and the three years ended June 30, 2020

This report was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

LINE-X LLC

Consolidated Financial Statements
For the three months ended September 30, 2020
and the three years ended June 30, 2020

LINE-X LLC

Consolidated Financial Statements

For the three months ended September 30, 2020
and the three years ended June 30, 2020

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501 Commerce Street, Suite 1400
Nashville, TN 37203

Independent Auditor's Report

Board of Directors
LINE-X LLC
Huntsville, Alabama

We have audited the accompanying consolidated financial statements of LINE-X LLC, which comprise the consolidated balance sheets as of September 30, 2020 and June 30, 2020, 2019 and 2018, and the related consolidated statements of operations, changes in member's equity, and cash flows for the three months ended September 30, 2020 and the three years ended June 30, 2020 and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LINE-X LLC as of September 30, 2020 and June 30, 2020, 2019, and 2018, and the results of its operations and its cash flows for the three months ended September 30, 2020 and the three years ended June 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

February 18, 2021

Consolidated Financial Statements

LINE-X LLC

Consolidated Balance Sheets

As of	**September 30, 2020**	June 30, 2020	June 30, 2019	June 30, 2018
Assets				
Current assets				
Cash	**$ 4,140,703**	$ 3,420,964	$ 2,497,263	$ 1,624,053
Trade receivables, net	**6,713,276**	6,203,488	4,670,313	5,413,305
Related party receivables	**897,279**	585,069	7,592,574	2,048,650
Inventories, net	**4,137,119**	4,820,926	4,819,502	4,265,359
Prepaid expenses and other current assets	**1,098,971**	1,187,127	2,083,490	1,840,361
Notes receivable, current portion	**8,237**	8,803	28,397	13,628
Total current assets	**16,995,585**	16,226,377	21,691,539	15,205,356
Property and equipment, net	**3,632,062**	3,828,311	4,041,306	4,383,558
Other assets				
Notes receivable	**10,268**	12,573	23,732	11,796
Total assets	**$ 20,637,915**	$ 20,067,261	$ 25,756,577	$ 19,600,710
Liabilities and member's equity				
Current liabilities				
Accounts payable	**$ 3,354,086**	$ 3,972,228	$ 4,350,795	$ 2,215,357
Accrued expenses	**2,845,476**	2,340,325	2,706,612	3,014,874
Total liabilities	**6,199,562**	6,312,553	7,057,407	5,230,231
Member's equity	**14,438,353**	13,754,708	18,699,170	14,370,479
Total liabilities and member's equity	**$ 20,637,915**	$ 20,067,261	$ 25,756,577	$ 19,600,710

See accompanying notes to Consolidated Financial statements.

LINE-X LLC

Consolidated Statements of Operations

	Three months ended September 30, 2020	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2018
Revenue				
Chemical and equipment revenue	**$ 22,430,600**	$ 80,223,518	$ 79,503,526	$ 75,598,642
Franchise fee revenue	**77,925**	508,075	375,000	649,500
Total revenues	**22,508,525**	80,731,593	79,878,526	76,248,142
Cost of revenues	**10,241,757**	38,464,201	40,695,496	38,561,740
Gross profit	**12,266,768**	42,267,392	39,183,030	37,686,402
Operating expenses				
Sales and marketing	**1,151,528**	4,248,833	5,401,142	4,343,240
General and administrative	**3,381,920**	19,849,576	18,185,012	17,574,121
Depreciation	**196,217**	830,964	881,680	837,912
Total operating expenses	**4,729,665**	24,929,373	24,467,834	22,755,273
Operating income	**7,537,103**	17,338,019	14,715,196	14,931,129
Other income / (expense)				
Interest income / (expense)	**226**	(11,171)	2,271	(178)
Other income / (expense)	**46,564**	83,696	(17,669)	82,329
Net Income	**$ 7,583,893**	$ 17,410,544	$ 14,699,798	$ 15,013,280

See accompanying notes to Consolidated Financial statements.

LINE-X LLC

Consolidated Statements of Changes in Member's Equity

Balance, June 30, 2017	**$**	**12,544,760**
Net income		15,013,280
Distributions to affiliates		(13,187,561)
Balance, June 30, 2018		**14,370,479**
Net Income		14,699,798
Distributions to affiliates		(10,371,107)
Balance, June 30, 2019		**18,699,170**
Net Income		17,410,544
Distributions to affiliates		(22,355,006)
Balance, June 30, 2020		**13,754,708**
Net Income		7,583,893
Distributions to affiliates		(6,900,248)
Balance, September 30, 2020	**$**	**14,438,353**

See accompanying notes to Consolidated Financial statements.

LINE-X LLC

Consolidated Statements of Cash Flows

	Three months ended September 30, 2020	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2018
Operating activities				
Net income	**$ 7,583,893**	$ 17,410,544	$ 14,699,798	$ 15,013,280
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	**196,217**	830,964	881,680	837,912
Provision for doubtful accounts	**41,153**	1,328,759	(4,893)	78,276
(Gain) loss on sale of fixed assets	**(31,587)**	(40,240)	65,376	(24,968)
Changes in operating assets and liabilities:				
Trade and related party receivables	**(863,151)**	4,145,571	(4,796,039)	(1,829,279)
Inventories	**683,807**	(1,424)	(554,143)	(890,883)
Prepaid expenses and other current assets	**88,156**	896,363	(243,129)	(471,296)
Accounts payable	**(618,142)**	(378,567)	2,135,438	(854,387)
Accrued expenses	**505,151**	(366,287)	(308,262)	686,044
Net cash provided by operating activities	**7,585,497**	23,825,683	11,875,826	12,544,699
Investing activities				
Purchase of property and equipment	**(60,480)**	(629,578)	(799,358)	(613,417)
Proceeds on disposal of assets	**92,099**	51,849	194,554	71,375
Notes receivable	**2,871**	30,753	(26,705)	17,461
Net cash provided by (used in) investing activities	**34,490**	(546,976)	(631,509)	(524,581)
Financing activities				
Distributions to affiliates	**(6,900,248)**	(22,355,006)	(10,371,107)	(13,187,561)
Net cash used in financing activities	**(6,900,248)**	(22,355,006)	(10,371,107)	(13,187,561)
Net increase (decrease) in cash	**719,739**	923,701	873,210	(1,167,443)
Cash, beginning of year	**3,420,964**	2,497,263	1,624,053	2,791,496
Cash, end of year	**$ 4,140,703**	$ 3,420,964	$ 2,497,263	$ 1,624,053

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 and its wholly-owned subsidiary, LINE-X Franchising LLC. In addition, the Company changed its fiscal year end from June 30, 2020 to September 30, 2020 effective July 1, 2020. As a result, this report includes the transition period from July 1, 2020 through September 30, 2020.

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 are presented in United States dollars. The consolidated financial statements include the accounts of its wholly-owned subsidiary, LINE-X Franchising LLC, after elimination of intercompany accounts and transactions.

Nature of Operations

We are engaged in the sale of chemicals, machinery, and supplies to franchisees and licensees which are used primarily for the application of spray-on truck bed liners nationally and internationally, as well as manufacturing and industrial customers who spray protective coatings on a variety of products. The Company is providing services to 441 open franchise outlets at September 30, 2020. During the periods presented, the following number of franchise outlets were either opened, terminated, ceased operations or transferred:

	Three Months Ended September 30, 2020	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Outlets at Start of Year	444	435	414	404
Outlets Opened	3	17	29	21
Terminations	(6)	(4)	(1)	(4)
Ceased Operations	-	(4)	(7)	(7)
Transfers From	(4)	(14)	(13)	(14)
Transfer To	4	14	13	14
Outlets at End of Year	441	444	435	414

Ownership

LINE-X LLC is a wholly-owned subsidiary of IXS Intermediate Holdings LLC which is directly owned by Innovative XCessories & Services LLC and indirectly owned by IXS Holdings, Inc. and ultimately, Ignition Intermediate, Inc. The Company transacts with certain entities under common control of its direct and indirect parents. Refer to Note 7 – Related Party Transactions for additional information.

2. Summary of Significant Accounting Policies

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, 2020, June 30, 2020, 2019 and 2018, the Company's domestic cash accounts exceeded federally insured limits by approximately $3,900,000, $3,200,000, $2,200,000 and $1,400,000 respectively.

Trade Receivables

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 experience. Past due balances over the stated terms and specified amounts are reviewed individually for collectability. 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.

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 change (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 included depreciation, the accounting for doubtful accounts, inventories, accruals and contingencies. Actual results could differ from those estimates.

Revenue recognition

The Company recognizes chemical and equipment revenue when products are shipped to a customer, collection of the proceeds is probable, persuasive evidence of an arrangement exists, and the sale price is fixed and determinable in accordance with Accounting Standards Codification (ASC) 605, *Revenue Recognition*. The Company recognizes franchise fee revenue when the Company has substantially performed its obligations, which generally occurs on the date the franchise is ready to begin operation and all training has been completed. Deferred revenue related to franchise fees for the three months ended September 30, 2020, and the years ended June 30, 2020, 2019 and 2018 was $383,500, $291,925, $263,075 and $145,000, respectively, and is included in accrued expenses in the accompanying consolidated balance sheets for all periods presented.

Advertising

The Company expenses advertising costs as incurred. Advertising costs for the three months ended September 30, 2020 and the years ended June 30, 2020, 2019, and 2018 were $1,158,528, $4,248,833, $5,401,142, and $4,348,240, respectively, and are presented as sales and marketing expenses in the accompanying consolidated statements of operations.

Shipping and Handling Fees

The Company accounts for shipping and handling fees in accordance with generally accepted accounting principles in the United States of America, which provides for amounts billed to customers for shipping and handling to be classified net of revenues. Costs associated with shipping and handling are included in cost of revenues in the accompanying consolidated statements of operations.

Research and Development Costs

The Company incurs 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. R&D costs for the three months ended September 30, 2020 and the years ended June 30, 2020, 2019, and 2018 were $166,578, $958,460, $971,926 and $639,426, respectively.

Coronavirus Disease 2019 ("COVID-19") Pandemic

Beginning in March 2020, and continuing through the date of this report, the COVID-19 pandemic has developed rapidly with a significant number of cases in the United States and throughout the world. Measures taken by various governments to contain the virus have affected economic activity.

The adverse economic effects of COVID-19, including the temporary shutdowns across the country, had a negative impact on the revenues of Line-X LLC from March 2020 through September 2020. In response, the Company took a number of measures to mitigate the adverse impacts of COVID-19, including temporary workforce reductions and securing the supply of chemicals essential to our business. Currently, the Company's business is operating at pre-COVID production levels.

While the Company experienced an impact to its business, operations and financial results from the COVID-19 pandemic, it may have even more far-reaching impacts on many aspects of its operations including the impact on customer behaviors, business operations, its employees, and the market in general. The extent to which the COVID-19 pandemic ultimately impacts our business, financial condition, results of operations, cash flows, and liquidity may differ from management's current estimates due to inherent uncertainties regarding the duration and further spread of the outbreak, actions taken to contain the virus, as well as, how quickly and to what extent normal economic and operating conditions can resume.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The Company is actively monitoring the impact of the pandemic on its financial condition, liquidity, operations, industry, and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

3. Inventories

Inventories consist of the following:

As of	**September 30, 2020**	June 30, 2020	June 30, 2019	June 30, 2018
Inventories				
Raw materials	**$ 701,213**	$ 860,082	$ 1,048,842	$ 781,522
Work in progress	**80,955**	76,238	140,501	120,255
Finished goods	**2,360,757**	3,124,397	2,876,528	2,474,891
Saleable parts and accessories	**1,091,854**	860,267	802,928	996,193
Slow moving and obsolete reserve	**(97,660)**	(100,058)	(49,297)	(107,502)
Inventories, net	**$ 4,137,119**	$ 4,820,926	$ 4,819,502	$ 4,265,359

4. Property and Equipment

Property and equipment consists of the following:

	Estimated Useful Lives	**September 30, 2020**	June 30, 2020	June 30, 2019	June 30, 2018
	(years)				
Leasehold improvements	5-10	**$ 1,015,235**	1,015,235	1,015,235	1,049,887
Computer hardware and software	3-5	**1,289,944**	1,265,092	1,122,209	939,608
Machinery and equipment	3-5	**2,506,614**	2,501,444	2,150,249	1,965,104
Furniture and fixtures	3-5	**1,022,100**	1,022,100	1,017,086	1,022,547
Transportation equipment	3-5	**1,005,745**	1,127,961	1,038,727	927,549
Construction in progress	N/A	**-**	-	3,360	83,397
		6,839,638	6,931,832	6,346,866	5,988,092
Less: Accumulated depreciation		**(3,207,576)**	(3,103,521)	(2,305,560)	(1,604,534)
Property and equipment, net		**$ 3,632,062**	$ 3,828,311	$ 4,041,306	$ 4,383,558

Depreciation expense for the three months ended September 30, 2020 and the years ended June 30, 2020, 2019, and 2018 was $196,217, $830,964, $881,680, and $837,912, respectively.

5. Operating Lease Commitments

The Company has operating leases that expire at various dates through 2027. Rent expense is recognized on a straight-line basis.

Future minimum lease payments under non-cancelable operating leases consist of the following as of September 30:

2021	$ 836,956
2022	862,064
2023	887,932
2024	914,568
2025	942,004
Thereafter	1,378,504
Total minimum lease payments	$ 5,822,028

Total rent expense for the three months ended September 30, 2020 and the years ended June 30, 2020, 2019, and 2018 was $239,183, $1,043,148, $1,058,793 and $993,431, respectively, and is included within general and administrative expenses in the consolidated statements of operations.

6. Retirement Plan

LINE-X LLC maintains a 401(k) plan, which covers all employees who are at least 21 years of age and have completed three 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 three months ended September 30, 2020, and the years ended June 30, 2020, 2019, 2018 were $46,917, $248,999, $166,270, and $138,084, respectively, which is included in general and administrative expenses in the consolidated statements of operations.

7. Related Party Transactions

The Company transacts with business entities that are under common ownership of its ultimate parent, Ignition Intermediate, Inc. Ground Effects Ltd. ("Ground Effects"), Line-X Canada, Ltd. ("Line-X Canada"), IXS Netherlands B.V. ("Line-X Europe"), Recubrimientos de Protección Line-X, S. de R.L. de C.V and Recubrimientos de Protección Line-X Servicios, S. de R.L. de C.V (collectively, "Line-X Mexico"), Line-X Retail LLC ("Corporate Stores"), and Ultimate Linings LLC ("Ultimate Linings") are wholly owned subsidiaries of the Company's ultimate parent, Ignition Intermediate, Inc. 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 September 30, 2020 and June 30, 2020, 2019 and 2018 is as follows:

Sales

	Three months ended September 30, 2020	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2018
Ground Effects	**$ 10,841**	$ 818,884	$ 2,880,234	$ 3,325,810
Line-X Canada	**1,710,078**	5,884,318	6,002,005	7,005,351
Line-X Europe	**347,694**	1,634,137	220,338	359,590
Line-X Mexico	**87,205**	885,826	787,469	579,394
Corporate Stores	**82,596**	104,605	464,093	725,895
Ultimate Linings	**108,037**	342,865	131,572	83,397
Total	**$ 2,346,451**	$ 9,670,635	$ 10,485,711	$ 12,079,437

Accounts Receivable

As of	**September 30, 2020**	June 30, 2020	June 30, 2019	June 30, 2018
Ground Effects	**$ 6,982**	$ 1,418	$ 325,344	$ -
Line-X Canada	**303,137**	184,876	5,822,051	1,456,263
Line-X Europe	**218,904**	165,433	96,834	3,809
Line-X Mexico	**286,507**	205,521	1,273,446	579,394
Corporate Stores	**44,652**	20,473	14,879	9,184
Ultimate Linings	**37,097**	7,348	60,020	-
Total	**$ 897,279**	$ 585,069	$ 7,592,574	$ 2,048,650

8. 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 is 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, Inc. Under this arrangement, the Company has pledged as collateral all of its assets.

Supply Agreements

The Company is subject to a North American supply agreement for certain chemicals with an independent supplier. Under the terms of the initial five-year agreement, ("Exclusivity Agreement") dated December 20, 2017, all purchases of certain chemicals are to be sourced exclusively by the independent supplier. The total purchases made for the three months ended September 30, 2020 and the years ended June 30, 2020, 2019, and 2018 were $6,427,861, $24,473,025, $26,177,785 and $11,174,081, respectively.

9. Subsequent Events

Management has performed an evaluation of subsequent events through February 18, 2021, the date these financial statements were available for issuance.

EXHIBIT C (3)

LINE-X FRANCHISING LLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD FROM OCTOBER 1, 2020 TO DECEMBER 31, 2020

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

LINE-X FRANCHISING LLC
UNAUDITED BALANCE SHEET
AS OF DECEMBER 31, 2020

	December 31, 2020
Assets	
Total current assets	-
Total assets	-
Liabilities and Member Equity	
Current liabilities	
Deferred Revenue	278,500
Total current liabilities	278,500
Total liabilities	278,500
Member Equity	(278,500)
Total liabilities and member equity	$ -

LINE-X FRANCHISING LLC

UNAUDITED STATEMENT OF OPERATIONS AND MEMBERS DEFICIT

OCTOBER 1, 2020 TO DECEMBER 31, 2020

	Three Months Ended December 31, 2020
Net revenue	$99,500
Operating expenses	
Selling	28,125
Salaries and benefits	802,476
General and administrative	18,368
Total operating expenses	848,969
Operating Loss	(749,469)
Net loss	$ (749,469)

EXHIBIT C (4)

LINE-X LLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD FROM OCTOBER 1, 2020 TO DECEMBER 31, 2020

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

LINE-X LLC

UNAUDITED BALANCE SHEET

AS OF DECEMBER 31, 2020

	December 31, 2020
Assets	
Current assets	
Cash	3,463,648
Trade receivables, net of allowance for doubtful accounts at $40,000 December 31	8,903,543
Inventories (Note 3)	3,780,491
Prepaid expenses and other current assets	1,471,307
Notes receivable, current portion	8,084
Total current assets	17,627,073
Property and equipment, net	3,477,866
Other assets	
Notes Receivable, LT	8,456
Total assets	$ 21,113,395
Liabilities and Member Equity	
Current liabilities	
Accounts payable	$3,935,388
Accrued expenses	$3,456,666
Total current liabilities	$7,392,054
Long-term liabilities	
Other Liabilities - Long Term	$322,029
Total liabilities	$7,714,083
Member Equity	$13,399,312
Total liabilities and member equity	$21,113,395

LINE-X LLC

UNAUDITED INCOME STATEMENT

OCTOBER 1, 2020 TO DECEMBER 31, 2020

	Three Months Ended December 31, 2020
Net revenues	$21,006,426
Cost of revenues	$10,078,058
Gross profit	$10,928,367
Operating expenses	
Sales and marketing	$1,013,271
General and administrative	$3,973,175
Depreciation and amortization	$208,681
Total operating expenses	$5,195,128
Operating income	$5,733,240
Other income (expense)	
Interest income (expense)	$201
Other income (expense)	$28,390
Net Income	$ 5,761,830

EXHIBIT D TO

LINE-X FRANCHISING LLC

DISCLOSURE DOCUMENT

STATEMENT OF PROSPECTIVE FRANCHISEE

LINE-X FRANCHISING LLC
STATEMENT OF PROSPECTIVE FRANCHISEE

[Note: Dates and Answers Must Be Completed in the Prospective Franchisee's Own Handwriting.]

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and LINE-X Franchising LLC (also called the "Franchisor", "LINE-X", "you" or "your") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, 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 face-to-face 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) nor have I/we relied in any way on any such representations, 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, nor have I/we relied in any way on any such, 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 carefully read, discussed, understands and agrees 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, although I understand that as a new Franchise System, few, if any, Franchisees are available 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, an investment beyond that outlined in the Disclosure Document may be required to succeed, there exists no guaranty 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: _____

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 Franchisor's attorney (toll free 1-888-547-0697) and an officer of the Franchisor 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.

I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning 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, that such information (if any) not expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein) is not reliable and that I/we have not relied on it, that no such results can be assured or estimated and that actual results will vary from unit to unit, Franchise to Franchise, and may vary significantly.

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: _____

[Signatures Continued on Following Page]

PRINCIPALS

_____ _____

_____ _____

All of the above is true, correct and complete to the best of my knowledge:

_____
Franchise Marketing Representative

Reviewed by: LINE-X Franchising LLC

_____ _____
CEO Franchise Agreement Number

EXHIBIT E TO

LINE-X FRANCHISING LLC

DISCLOSURE DOCUMENT

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EXHIBIT F TO
LINE-X FRANCHISING LLC
DISCLOSURE DOCUMENT

GENERAL RELEASE OF ALL CLAIMS

GENERAL RELEASE

(FRANCHISEE") and _____, an individual ("GUARANTOR") enter into this General Release on _____, with reference to the following facts:

1. On _____, LINE-X Franchising LLC, a California limited liability company ("FRANCHISOR"), 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 a Guarantee and Assumption of Obligations (the "Guarantee"). In consideration of FRANCHISOR'S processing and approval of _____, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition to such _____. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown (collectively "Damages"), which arose on or before the date of this General Release, including any Damages with respect to the Franchise Agreement, the Franchised Business, the Premises and the Guarantee. 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:

_____, an individual.

Print Name: _____

EXHIBIT G TO

LINE-X FRANCHISING LLC

DISCLOSURE DOCUMENT

STATE-SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT AND FRANCHISE 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

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.

Our website 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 language is added to the end of Item 5 of the Disclosure Document:

   All initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are deferred until the franchisor's pre-opening obligations to the franchisee are complete and the franchisee is open for business.

3. 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. This provision may not be enforceable under California law, but we will enforce it to the extent enforceable.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires application of the laws of the state where the business is located. This provision may not be enforceable under California law, but we will enforce it to the extent enforceable.

4. The following risks are added to the "**Special Risks to Consider About *This* Franchise**" page:

You may be subject to a royalty fee of 12% of the gross volume of the LINE-X Store if you use and/or obtain designated equipment, products and/or services from any source other than our approved source.

CALIFORNIA

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "**Addendum**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "**Franchise Agreement**") dated _____, by and between Line-X Franchising LLC, a California limited liability company, as Franchisor and _____, as Franchisee. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The following language is added at the end of Section 8.1 of this Agreement:

All initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are deferred until Franchisor's pre-opening obligations to Franchisee are complete and Franchisee is open for business.

LINE-X Franchising 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.

The following risk factor is added to the State Cover Page of the Disclosure Document:

LINE-X FRANCHISING LLC HAS A MEMBER'S DEFICIT OF ($856,526) AS OF SEPTEMBER 30, 2020. AS A RESULT, FOR EACH FRANCHISE SOLD IN HAWAII, THE STATE OF HAWAII HAS REQUIRED US TO DEFER THE RECEIPT OF INITIAL FRANCHISE FEES AND OTHER PAYMENTS TO US AND OUR AFFILIATES UNTIL WE HAVE MET ALL OF OUR PRE-OPENING OBLIGATIONS AND YOU HAVE OPENED YOUR FRANCHISE BUSINESS.

The following language is added to the end of Item 5 of the Disclosure Document:

Despite the payment provisions noted in this Item 5, the State of Hawaii has required us to defer the receipt of initial franchise fees and other payments to us and our affiliates until we have met all of our pre-opening obligations and you have opened your franchise business.

HAWAII

ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

Section 8.1, "**INITIAL FRANCHISE FEE**," of the Franchise Agreement is amended as follows:

Despite the payment provisions noted in this Section 8.1, the State of Hawaii has required Franchisor to defer the receipt of initial franchise fees and other payments to Franchisor and its affiliates until Franchisor has met all of its pre-opening obligations and Franchisee has opened its franchise business.

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 Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

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. The following language is added to **Item 5 INITIAL FEES**, under the subheading, **Initial Franchise Fee Non-Refundable**, as paragraph number 3:

> 3. The Office of the Attorney General of the State of Illinois has imposed a fee deferral based on our financial condition. All initial franchise fees shall be deferred until franchisor completes all pre-opening obligations to franchisee and franchisee commences doing business. The fee deferral does not apply to purchase of chemicals or equipment.

ILLINOIS

ADDENDUM TO FRANCHISE 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. Section 17.8, "**CHOICE OF LAWS,**" 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. Section 8.1, "**Initial Franchise Fee, Reduced Initial Franchise Fee for Future Awards, Etc.**", (regarding payment of initial franchise fees) is amended by adding the following language as paragraph C:

   C. The Office of the Attorney General of the State of Illinois has imposed a fee deferral based on Franchisor's financial condition. All initial franchise fees shall be deferred until Franchisor completes all pre-opening obligations to Franchisee and Franchisee commences doing business. The fee deferral does not apply to purchase of chemicals or equipment.

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 Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "Summary" section of Item 17(c) entitled Requirements for you to renew or extend, and the "Summary" section of 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 Item 17(h) entitled "Cause" defined (defaults which cannot be cured), 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 chart 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.

4. The following language is added to Item 5:

> 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.

5. 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.

MARYLAND

ADDENDUM TO FRANCHISE AGREEMENT

The Franchise 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 ("Agreement") agree as follows:

1. Section 3.5, "RELOCATION," Section 13.3.A.(9) "CONDITIONS FOR APPROVAL OF ANY TRANSFER," and Section 14.3, "CONDITIONS TO THE AWARD OF A SUCCESSOR FRANCHISE," 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.

2. 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.

3. Section 17.2, "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.

4. 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.

5. Section 19. B., "ACKNOWLEDGMENTS AND REPRESENTATIONS, ENTIRE AGREEMENT, NO FIDUCIARY RELATIONSHIP, ETC.", (regarding acknowledgments) shall be supplemented by the following new paragraph:

> 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.

6. Section 8.1 of the Franchise Agreement is amended as follows:

> 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 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 Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

MICHIGAN

ADDENDUM TO DISCLOSURE DOCUMENT

The following disclosures are required by the State of Michigan:

1. 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.

Each of the following provisions is void and unenforceable if contained in any documents related to a franchise:

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 the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

C. A provision that permits a franchisor to terminate a franchise prior to the expiration of this 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 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. The 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:

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

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

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

4) 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 a provision has been made for providing the required contractual services.

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

3. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be direct to:

State of Michigan
Consumer Protection Division
Attention: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, MI 48933
(517) 373-1160

Note: Despite paragraph F above, we intend to enforce fully the provisions of the arbitration section contained in the Franchise Agreement. We believe that paragraph F is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce this section as well.

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. 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.

2. 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 non-renewal 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.

3. Item 5 **Initial Fees** is amended by adding the following:

Despite the payment provisions noted in this Item 5, all initial fees and payments shall be deferred until such time as the Franchisor completes its initial obligations under the Franchise Agreement.

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 2.1, "**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.

6. Section 8.1, "**INITIAL FRANCHISE FEE**" of the Franchise Agreement is amended as follows:

   Despite the payment provisions noted in this Section 8.1, all initial fees and payments shall be deferred until such time as the Franchisor completes its initial obligations under the Franchise Agreement.

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 Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

NEW YORK

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

   Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

   A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

   B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

   C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following language is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**.

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor"**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum"**, and Item 17(w), titled "**Choice of law"**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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 franchise 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 (w) (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.

7. The following is added to Item 5 of the Disclosure Document:

"Despite the provisions in this Item 5, payment of the Initial Franchise Fee is postponed until after all of the Franchisor's obligations are complete and Franchisee is open for business, at which time the Initial Franchise Fee shall be immediately due and payable."

NORTH DAKOTA

ADDENDUM TO FRANCHISE AGREEMENT

1. The following is added to Section 3.5, **"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 19.B., "**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.B. "**POST TERM RESTRICTIONS**" 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 17.5 of the Franchise Agreement is amended as follows:

> "In the State of North Dakota, the statute of limitations under North Dakota Law will apply".

8. 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.

9. Section 8.1 of the Franchise Agreement is amended as follows:

"Despite the provisions in this Section 8.1, payment of the Initial Franchise Fee is postponed until after all of the Franchisor's obligations are complete and Franchisee is open for business, at which time the Initial Franchise Fee shall be immediately due and payable"

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 Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title: _____	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 Franchising 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.

The following language is added to the end of Item 5 of the Disclosure Document:

“All initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are deferred until the franchisor’s pre-opening obligations to the franchisee are complete and the franchisee is open for business.”

SOUTH DAKOTA

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "**Addendum**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "**Franchise Agreement**") dated _____, by and between Line-X Franchising LLC, a California limited liability company, as Franchisor and _____, as Franchisee. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The following language is added at the end of Section 8.1 of the Franchise Agreement:

All initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are deferred until Franchisor's pre-opening obligations to Franchisee are complete and Franchisee is open for business.

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 Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____

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 statement is added to Item 5:

Notwithstanding anything to the contrary contained in this Item 5, the Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Franchisor to defer payment of the initial franchise fee and other initial payments owed by Franchisee to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement.

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."

The following statement is added to Section 8 of the Franchise Agreement:

"Notwithstanding the foregoing, the Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Franchisor to defer payment of the initial franchise fee and other initial payments owed by Franchisee to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement."

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 Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____

WASHINGTON

ADDENDUM TO DISCLOSURE DOCUMENT

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with LINE-X Franchising LLC including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the LINE-X Franchising LLC including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by the franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect LINE-X Franchising LLC's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The following paragraph is added at the end of Item 5:

> "In lieu of an impound of franchise fees, the franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business."

WASHINGTON

ADDENDUM TO FRANCHISE AGREEMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Additionally, the following language is added as paragraph "F" in Section 8.1 of the Franchise Agreement:

"F. The State of Washington requires that Franchisor defer the payment of the initial franchise fee due to Franchisor by Franchisee, until Franchisee has (a) received all initial training that it is entitled to under this Agreement or the Disclosure Document, and (b) is open for business. Accordingly, Franchisee will not be required to pay the Initial Franchise Fee until Franchisor has completed all its pre-opening obligations to Franchisee, the initial training program has been completed, and Franchisee begins operating its Franchised Business."

[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 Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____

EXHIBIT H TO

LINE-X FRANCHISING LLC

DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AND THEIR OUTLETS

LIST OF FRANCHISEES AND THEIR OUTLETS AT END OF FISCAL YEAR 2020

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
Mat-Su LINE-X	8800 E Palmer-Wasilla Hwy	Palmer	AK	99645	(907) 745-5500
LINE-X of Albertville	6468 US Hwy 431	Albertville	AL	35950	(256) 960-0780
LINE-X Custom Trucks Unlimited	1817 Opelika Rd	Auburn	AL	36830	(334) 704-0909
LINE-X of Trussville	3229 Veterans Circle	Birmingham	AL	35235	(205) 655-1060
LINE-X of Cullman	101 Arnold St NW	Cullman	AL	35055	(256) 775-1719
LINE-X Decatur Customs	2302 Beltline Road SW	Decatur	AL	35601	(256) 355-4251
LINE-X of the Wiregrass	2074 Ross Clark Circle	Dothan	AL	36301	(334) 792-7777
LINE-X of Eufaula	928 Pine Ave.	Eufaula	AL	36027	(334) 232-4106
W-J Body Shop dba LINE-X of Gadsden	2439 East Meighan Blvd	Gadsden	AL	35903	(256) 492-5925
LINE-X Custom Trucks Unlimited of Huntsville	4508 Research Park Blvd	Huntsville	AL	35806	(256) 721-1331
LINE-X of Mobile	4700 Rangeline Road	Mobile	AL	36619	(251) 666-8606
LINE-X of Montgomery	233 Gunn Road	Montgomery	AL	36117	(334) 272-0842
LINE-X of the Shoals	2625 Woodward Ave	Muscle Shoals	AL	35661	(800) 832-2233
LINE-X of Oxofrd	1321 Hamrick Dr E	Oxford	AL	36203	(770) 861-3260
LINE-X of Pelham	2633 Pelham Pkwy	Pelham	AL	35124	(205) 620-9070
LINE-X of Tuscaloosa	3640 Greensboro Avenue	Tuscaloosa	AL	35401	(205) 248-8880
LINE-X of NWA	323 E. Main St	Farmington	AR	72703	(479) 856-6633
LINE-X of Little Rock	11421 Stagecoach Rd. STE 1500	Little Rock	AR	72210	(501) 683-8408
LINE-X Custom Shop	5101 W Maryland Ave	Glendale	AZ	85301	(623) 842-8748
Arizona LINE-X	21242 N. Black Canyon Hwy	Phoenix	AZ	85027	(623) 516-8711
LINE-X of Tucson	275 E. Ft Lowell Rd	Tucson	AZ	85705	(520) 292-0828
LINE-X of Yuma	251 W. 32nd St.	Yuma	AZ	85364	(928) 726-9199
TruckGear by LINE-X of Bakersfield	6561 White Lane Avenue	Bakersfield	CA	93309	(661) 832-1333
LINE-X of Oxnard	90 South Wood Rd	Camarillo	CA	93010	(805) 981-0748
LINE-X of Chico	168 Commercial Ave	Chico	CA	95973	(530) 895-1689
Clovis LINE-X	885 Clovis Ave	Clovis	CA	93612	(559) 323-5578
LINE-X of Corona	2175 Sampson Ave	Corona	CA	92879	(951) 738-8320
TruckGear by LINE-X of Delano	1427 S Lexington Street, Bldg B, Suite 1	Delano	CA	93215	(661) 832-3093
LINE-X of El Cajon	1611 N. Magnolia Avenue	El Cajon	CA	92020	(619) 448-2400
LINE-X of Escondido	2368 Auto Park Way	Escondido	CA	92029	(760) 735-9800

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
South County LINE-X	8864 Muraoka Drive	Gilroy	CA	95020	(408) 842-8803
LINE-X of Santa Barbara	59 Depot Road	Goleta	CA	93117	(805) 964-0640
South Bay LINE-X	5117 W Rosecrans	Hawthorne	CA	90250	(310) 322-9191
LINE-X of the Bay Area	25655 Dollar Street	Hayward	CA	94544	(925) 272-7666
LINE-X of Huntington Beach	17892 Metzler Ln	Huntington Beach	CA	92647	(714) 375-2833
LINE-X of Antelope Valley	42600 10th Street West	Lancaster	CA	93534	(661) 212-8292
LINE-X of Pasadena	1817 S. Myrtle Ave	Monrovia	CA	91016	(626) 303-8647
LINE-X of San Diego	2704 Transportation	National City	CA	91950	(619) 477-1796
LINE-X of Conejo Valley	3833 Old Conejo Road	Newbury Park	CA	91320	(805) 376-9200
LINE-X of Oceanside	1408 Mission Ave	Oceanside	CA	92058	(760) 271-2147
LINE-X of Orange County	1104 W. Collins Avenue	Orange	CA	92867	(714) 744-8428
LINE-X Kustoms and Accessories	2691 E. Leland Road	Pittsburg	CA	94565	(925) 427-5100
LINE-X of Placerville	161 Fair Lane	Placerville	CA	95667	(530) 295-1813
TruckGear by LINE-X of Porterville	788 W. Olive Avenue	Porterville	CA	93257	(559)784-3878
LINE-X of Rancho Cordova	11355 Folsom Blvd	Rancho Cordova	CA	95742	(916) 631-0339
Empire LINE-X	9261 Bally Court	Rancho Cucamonga	CA	91730	(909) 980-8922
LINE-X of Rocklin	6025 Pacific St	Rocklin	CA	95677	(916) 625-0245
LINE-X of San Jose	256 Hillsdale Ave	San Jose	CA	95136	(408) 265-8446
LINE-X of South Coast	2126 S. Lyon Street	Santa Ana	CA	92705	(714) 647-9322
LINE-X of Silicon Valley	2351 De La Cruz Blvd	Santa Clara	CA	95050	(408) 988-2622
LINE-X of Santa Clarita	26845 Oak Ave	Santa Clarita	CA	91351	(661) 252-5469
LINE-X of Santa Fe Springs	12510 East Slauson Avenue	Santa Fe Springs	CA	90670	(562) 696-9272
LINE-X of Santa Maria	1915 N. Broadway	Santa Maria	CA	93454	(805) 347-7387
LINE-X of Simi Valley	2296 Agate Court	Simi Valley	CA	93065	(805) 299-8850
LINE-X of South LA	5901 Firestone Blvd	South Gate	CA	90280	(562)776-8000
LINE-X of Stockton	720 E. Hammer Lane Suite A-3	Stockton	CA	95210	(209) 490-4498
Valley LINE-X	7900 Clybourn Ave	Sun Valley	CA	91352	(818) 503-4700
LINE-X of Temecula	25795 Jefferson Ave	Temecula	CA	92562	(951) 297-0663
LINE-X of Torrance	22603 S Normandie Ave	Torrance	CA	90501	(310) 320-3332
Tri Valley LINE-X	222 West Larch	Tracy	CA	95304	(209) 839-8232
LINE-X of Tulare	100 South Mooney Blvd	Tulare	CA	93274	(559) 688-1810
LINE-X of Turlock	1441 Freitas Park	Turlock	CA	95380	(209) 667-2975

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Ukiah	301-A Kunzler Ranch Rd.	Ukiah	CA	95482	(707) 463-2227
TruckGear by LINE-X of Visalia	2211 E. Main Street	Visalia	CA	93292	(559) 713-0500
LINE-X of Woodland	2000 E Main Street	Woodland	CA	95776	(530) 668-6550
LINE-X of Yuba Sutter	1100 Garden Hwy	Yuba City	CA	95991	(530) 671-7976
LINE-X of Boulder	2516 49th Street	Boulder	CO	80301	(303) 915-7371
LINE-X Total Truck Center	624 Atchison Way	Castle Rock	CO	80109	(303) 900-7795
LINE-X of Colorado Springs	4934 Northpark Drive	Colorado Springs	CO	80918	(719) 635-8626
LINE-X of Denver	300 West 53rd Place	Denver	CO	80216	(303) 308-0888
LINE-X of Durango	29465 Hwy 160 E	Durango	CO	81301	(970) 259-1662
LINE-X of Grand Junction	549 Bogart Lane	Grand Junction	CO	81505	(970) 243-0777
LINE-X of South Metro	6559 South Broadway	Littleton	CO	80121	(303) 471-2447
Northern Colorado LINE-X and Truck Gear	187 14th st SE	Loveland	CO	80537	(970) 460-9198
LINE-X of Hartford	192 Ledyard St	Hartford	CT	6114	(860) 216-6180
LINE-X of New England	469 Litchfield Rd.	New Milford	CT	6776	(860) 355-6997
LINE-X of Connecticut LLC	175 Freight St.	Waterbury	CT	6702	(203) 754-1444
LINE-X of Delaware	1053 Barl Court	Dover	DE	19901	(302) 672-7005
First State LINE-X	2221 Ogletown Rd.	Newark	DE	19711	(302) 738-4870
LINE-X of Sarasota	5115 15th Street E.	Bradenton	FL	34203	(941) 527-1387
LINE-X of Cape Coral	916 SE 8th Place	Cape Coral	FL	33990	(239) 850-6051
LINE-X of Tampa Bay	11802 Race Track Road	Clearwater	FL	33626	(727) 446-7777
LINE-X of Volusia County	313 North Tomoka Farms Rd	Daytona Beach	FL	32124	(386) 740-1040
LINE-X of Southwest Florida	6150 Metro Plantation Rd	Fort Myers	FL	33966	(239) 208-9870
LINE-X of Treasure Coast	5435 S. US Hwy 1	Fort Pierce	FL	34982	(772) 461-5700
LINE-X of the Emerald Coast	219 Racetrack Rd NE	Fort Walton Beach	FL	32547	(850) 244-9400
LINE-X of the Nature Coast	12826 Highway 19	Hudson	FL	34667	(727) 863-4300
Safari Truck and SUV Accessories	4301-1 Blanding Blvd	Jacksonville	FL	32210	(904) 908-5337
Safari Truck & SUV Accessories East	4051 Philips Hwy, Ste 11	Jacksonville	FL	32207	(904) 337-0362
LINE-X of Central Miami	8600 NW South River Drive	Medley	FL	33166	(305) 887-8840
LINE-X of Brevard	105 SW Irwin Avenue	Melbourne	FL	32904	(321) 733-5240
LINE-X of Lakeland	1233 W Memorial Blvd	Lakeland	FL	33810	(863) 581-9173

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Ocala	4540 West Highway 40	Ocala	FL	34482	(352)629-0067
LINE-X of Okeechobee	315 S. Parrott Avenue	Okeechobee	FL	34974	(863) 763-6434
LINE-X of Central Orlando	64 West Michigan Street	Orlando	FL	32806	(407) 855-9889
LINE-X of Pensacola	7607 Flowers Street	Pensacola	FL	32506	(850) 455-8822
LINE-X of Lauderdale (Larko Inc)	2033 W. McNab Road	Pompano Beach	FL	33069	(954) 969-7795
Palm Beach LINE-X	8330 Currency Drive	Riviera Beach	FL	33404	(561) 848-1070
LINE-X of Tallahassee	3342 Garber Drive	Tallahassee	FL	32303	(850) 510-0595
LINE-X of South Tampa	6925 E Adamo Drive	Tampa	FL	33619	(813) 627-9603
LINE-X of Greater Orlando	1080 Nursery Road	Winter Springs	FL	32708	(407) 388-1041
LINE-X Pro Coatings Inc.	590 Old Commerce Road	Athens	GA	30607	(706) 543-4696
LINE-X Accessory Center	3399 Chamblee Tucker Rd.	Atlanta	GA	30341	(770) 216-8303
LINE-X of Bainbridge	909 Dothan Road	Bainbridge	GA	39817	(229) 246-2111
LINE-X Custom Trucks Unlimited Columbus	1542 Manchester Expy	Columbus	GA	31904	(706) 323-0250
LINE-X of North Georgia	385 Lumpkin County Parkway	Dahlonega	GA	30533	(706) 867-8000
LINE-X of Dallas	835 Charles Hardy Pkwy	Dallas	GA	30157	(770) 443-0107
LINE-X Country	1715 Cleveland Hwy.	Dalton	GA	30721	(706) 279-4028
LINE-X of Douglas	2161 Industrial Blvd N	Douglas	GA	31533	(912) 383-6666
LINE-X of South Atlanta	160 Tober Trail	Fayetteville	GA	30214	(770) 629-1829
LINE-X of Lanier	2312 Browns Bridge Road	Gainesville	GA	30504	(770) 535-2611
LINE-X of Lawrenceville	461-A Pike Blvd	Lawrenceville	GA	30046	(770) 995-4639
LINE-X of Macon	2129 Riverside Drive	Macon	GA	31204	(478) 741-4146
LINE-X of Rome	20 Armuchee Connector	Rome	GA	30161	(706) 622-2414
Alpharetta LINE-X	11220 Alpharetta Hwy.	Roswell	GA	30076	(678) 297-1101
LINE-X of Savannah	7927 Abercorn St.	Savannah	GA	31406	(912) 920-7455
LINE-X Southeast Customs	606 S Zetterower Ave.	Statesboro	GA	30458	(912) 225-6062
LINE-X of South Georgia	4498 ValNorth Drive	Valdosta	GA	31602	(229) 244-0020
LINE-X Protective Coatings of Hilo	154 Holomua St	Hilo	HI	96720	(808) 961-2002
LINE-X of Maui	357 Huku Lii A102	Kihei	HI	96753	(808) 419-3952
LINE-X of Centerville	1312 South 18th Street	Centerville	IA	52544	(641) 856-6328
LINE-X of the Quad Cities	4020 Brady Street	Davenport	IA	52806	(563) 445-4639
LINE-X of Des Moines	1315 NE Broadway	Des Moines	IA	50313	(515) 265-4467
LINE-X of Dubuque	1055 Century Circle	Dubuque	IA	52002	(563) 588-1858

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
Auto Toyz & Line-X of Iowa City	4172 Alyssa Ct.	Iowa City	IA	52240	(319) 339-0707
LINE-X of Cedar Rapids INC	1465 Blairs Ferry Road	Marion	IA	52302	(319) 294-0900
LINE-X of Mason City	823 S. Federal Ave	Mason City	IA	50401	(641) 424-2220
T&T LINE-X LLC	205 Lincoln Highway	Nevada	IA	50201	(515) 382-1445
LINE-X of Ottumwa	15514 Blackhawk Road	Ottumwa	IA	52501	(641) 683-9334
LINE-X of West Bend	306 3rd Ave. NE	West Bend	IA	50597	(515) 887-2800
LINE-X of Boise	108 W 37th	Boise	ID	83714	(208) 343-0808
LINE-X of Coeur d`Alene	7000 N Government Way	Dalton Gardens	ID	83815	(208) 762-4547
LINE-X of Idaho Falls	1650 N Woodruff Ave	Idaho Falls	ID	83401	(208) 520-9318
LINE-X of Magic Valley	193 Eastland Drive	Twin Falls	ID	83301	(208) 736-9333
LINE-X of South West Illinois	18 North 3rd Street	Belleville	IL	62220	(618) 222-1800
LINE-X of Marion	3206 W Deyong Street Suite A	Marion	IL	62959	(618) 997-7845
Audio Visionz & LINE-X of Mount Vernon	1419 S 10th St	Mount Vernon	IL	62864	(618) 242-6681
LINE-X Bedliners of Northern Illinois	645 S Vermont St	Palatine	IL	60067	(847) 202-3884
Central Illinois LINE-X	5619 N. Galena Rd.	Peoria Heights	IL	61616	(309) 633-1380
Great Lakes LINE-X	2510 Route 176	Prairie Grove	IL	60012	(815) 455-0123
LINE-X of Quincy	536 North 54th Street	Quincy	IL	62305	(217) 222-0829
LINE-X of Roselle	55 W Irving Park Road	Roselle	IL	60172	(630) 980-8020
LINE-X of Joliet	18126 North West Frontage Rd	Shorewood	IL	60404	(815) 609-0707
LINE-X of Greater Illinois	1210 E. State Street	Sycamore	IL	60178	(815) 991-2222
Tri State LINE-X and Accessories	1845 W. Maumee St.	Angola	IN	46703	(260) 665-5959
Southern Indiana Linings and Coatings Inc	113 Industrial Way	Charlestown	IN	47111	(812) 206-7250
LINE-X of Decatur	1311 South 13th St	Decatur	IN	46733	(260) 706-2001
LINE-X of Evansville	1804 Stringtown Road	Evansville	IN	47711	(812) 491-9475
LINE-X of Fort Wayne	714 Avenue of Autos	Fort Wayne	IN	46804	(260) 436-9274
Millennium LINE-X South	494 US Highway 31 N	Greenwood	IN	46142	(317) 807-2000
Millennium (LINE-X) Linings	905 N. Raceway Rd.	Indianapolis	IN	46234	(317) 209-8000
LINE-X of Indy	8448 Moller Road	Indianapolis	IN	46268	(317) 228-0123
LINE-X of Southern Indiana	555 12th Avenue	Jasper	IN	47546	(812) 634-1294
LINE-X of Noblesville	15240 Herriman	Noblesville	IN	46060	(317) 773-1460

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
	Boulevard				
LINE-X of Schererville	2041 US 41	Schererville	IN	46375	(219) 865-1000
LINE-X by Luxury and Imports	5239 S. 4th Street	Leavenworth	KS	66048	(913) 772-7200
LINE-X of Manhattan	1728 Hayes Dr.	Manhattan	KS	66502	(785) 537-7855
LINE-X of Olathe	521 S. Fir Street	Olathe	KS	66061	(913) 768-1166
LINE-X of Topeka	3108 SW Topeka Blvd	Topeka	KS	66611	(785) 228-3777
LINE-X Protective Coatings and Truck Accessories	167 S. Washington	Wichita	KS	67202	(316) 858-1197
LINE-X of Ashland	2600 Greenup Avenue	Ashland	KY	41101	(606) 324-5463
LINE-X of Bowling Green	3351 Louisville Road	Bowling Green	KY	42101	(270) 393-7201
LINE-X of Northern Kentucky	3126 Dixie Hwy Building B	Erlanger	KY	41018	(859) 360-6834
LINE-X of Louisville	6011 Fern Valley Rd	Louisville	KY	40228	(502) 961-0404
LINE-X of Morehead	25 Lake Park Drive	Morehead	KY	40351	(606) 784-1155
LINE-X of Murray	325 Robert O Miller Rd	Murray	KY	42071	(270) 992-1183
LINE-X of Kentucky-Lexington	119 Howard St	Nicholasville	KY	40356	(859) 881-8181
LINE-X of Pikeville	100 Deskins Drive	Pikeville	KY	41501	(606) 437-1303
LINE-X of Radcliff	1573 N Dixie Blvd	Radcliff	KY	40160	(502) 417 0939
LINE-X of Richmond (KY)	238 North Keeneland Dr.	Richmond	KY	40475	(859) 624-2002
LINE-X of Somerset	47 Larry Lane	Somerset	KY	42501	(606) 679-1717
LINE-X of Northshore	70161 Hwy 59	Abita Springs	LA	70420	(985) 809-8973
LINE-X of Baton Rouge	17077 Florida Blvd	Baton Rouge	LA	70819	(225) 753-6000
LINE-X of Metairie	2644 Lexington Street	Kenner	LA	70062	(504) 463-3090
LINE-X Acadiana	826 Cajundome Blvd	Lafayette	LA	70506	(337) 234-3644
LINE-X of New Roads	310 New Roads St.	New Roads	LA	70760	(225) 638-5469
LINE-X of Fall River	1591 Bay Street	Fall River	MA	2724	(508) 675-5422
LINE-X Cape Cod	58 Plant Rd	Hyannis	MA	2601	(508) 776-0716
LINE-X of Central Massachusetts	393 South St.	Marlborough	MA	1752	(508) 485-2008
North Shore LINE-X	232 Ash Street	Reading	MA	1867	(781) 938-1965
LINE-X of West Springfield	52 Baldwin Street	West Springfield	MA	1089	(413) 507-2969
LINE-X of Maryland	1920 West Street	Annapolis	MD	21401	(410) 224-5744
Catonsville LINE-X	2076 Lord Baltimore Dr	Baltimore	MD	21244	(410) 455-0800
LINE-X by Global Truck Outfitters	14710 McMullen Hwy	Cresaptown	MD	21502	(301) 729-9290
Frederick LINE-X	5112 Pegasus Court	Frederick	MD	21704	(301) 360-9900

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
Bay LINE-X (Bamco LLC)	201 Holsum Way	Glen Burnie	MD	21060	(410) 487-6405
LINE-X of Hagerstown	11909 Wheatfield Drive	Hagerstown	MD	21740	(240) 313-9110
LINE-X of Laurel	9375 Davis Ave	Laurel	MD	20723	(301) 317-4737
Americas Capital LINE-X	9375 Davis Ave	Laurel	MD	20723	(301) 317-4737
LINE-X of Southern Maryland	3695 Hallowing Point Road	Prince Frederick	MD	20678	(410) 414-2085
LINE-X of Delmarva	200 Alexander Avenue	Salisbury	MD	21801	(410) 677-5463
LINE-X of Sykesville	5301 Enterprise St	Sykesville	MD	21784	(410) 795-2746
LINE-X Protex	4521 Printers Court	White Plains	MD	20695	(301) 645-6555
LINE-X of Bangor	195 Thatcher St Suite 2	Bangor	ME	04401	(207) 990-3757
LINE-X of Augusta	509 Maine Avenue	Farmingdale	ME	04344	(207) 582-0282
LINE-X of Western Maine	70 Main St	South Paris	ME	04281	(207) 744-9835
LINE-X of Portland	4 Thomas Drive	Westbrook	ME	4092	(207) 878-2141
Bay City LINE-X	3737 Wilder Rd	Bay City	MI	48706	(989) 671-9820
LINE-X of Brighton	9810 E. Grand River Ave.	Brighton	MI	48116	(810) 220-8482
LINE-X of Escanaba	1416 North Lincoln Rd	Escanaba	MI	49829	906-553-7337
LINE-X of Grand Blanc	1056 W. Hill Rd	Flint	MI	48507	(810) 695-9000
LINE-X of Gaylord	1510 Dickerson Rd.	Gaylord	MI	49735	(989) 732-1941
LINE-X of Western Michigan	3608 47th Street	Hamilton	MI	49419	(616) 422-1289
LINE-X of Lansing	2702 South Cedar Street	Lansing	MI	48910	(517) 394-1222
LINE-X of Monroe	15505 S. Telegraph	Monroe	MI	48161	(734) 243-5457
Monroe Truck and Auto Accessories	2915 East Apple	Muskegon	MI	49442	(231) 773-0005
LINE-X of Sault Saint Marie	2601 Ashmun Street	Sault Ste Marie	MI	49783	(906) 253-1639
LINE-X of Battle Creek	2150 W Dickman Rd	Springfield	MI	49037	(269) 963-5020
LINE-X of Sterling Heights	37562 Van Dyke Ave	Sterling Heights	MI	48312	(586) 795-5599
Northern Michigan LINE-X	1770 Barlow St.	Traverse City	MI	49686	(231) 933-9133
Tri City LINE-X	155 N. Fourth St	West Branch	MI	48661	(989) 345-7800
LINE-X of Grand Rapids	2290 28th Street SW	Wyoming	MI	49519	(616) 871-2699
LINE-X Pros	1160 Red Fox Road	Arden Hills	MN	55112	(651) 251-6834
The Body Works	14742 Dellwood Dr.	Baxter	MN	56425	(218) 825-3500
LINE-X Coatings	20725 Howland Avenue	Lakeville	MN	55044	(952) 469-6009
Mankato Industrial Coatings	58103 200th St	Mankato	MN	56001	(507) 625-4593
LINE-X of Rochester	1933 N Broadway	Rochester	MN	55906	(507) 281-5900
Bedliners By LINE-X Central MN	539 27th Ave N.	Saint Cloud	MN	56303	(320) 529-8555

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Jefferson County	2012 Sierra Pkwy	Arnold	MO	63010	(636) 464-2300
LINE-X of Cape Girardeau	606 S Kings Highway	Cape Girardeau	MO	63703	(573) 334-9161
LINE-X of Mid Missouri	1510B I-70 Complex Ct.	Columbia	MO	65201	(573) 777-9989
LINE-X of Northeast Missouri	51001 State Hwy 15	Edina	MO	63537	(660) 397-2551
LINE-X of Farmington	4783 Flat River Road	Farmington	MO	63640	(573) 431-2902
Truck Works South LINE-X	93 SE Oldham Pkwy	Lees Summit	MO	64081	(816) 525-7455
Truck Works North LINE-X	2340 Vernon St	N. Kansas City	MO	64116	(816) 842-4222
LINE-X of Rolla	E 1800 MO-72	Rolla	MO	65401	(573) 308-7661
LINE-X of St Louis	8740 Watson Rd	Saint Louis	MO	63119	(314) 729-1300
Impact Coatings By LINE-X	1424 East St. Louis Street	Springfield	MO	65802	(417) 719-4200
LINE-X of Missouri LLC	1545 Cornerstone Drive	St. Charles	MO	63304	(636) 498-4477
LINE-X of St Joseph	4410-A S. 40th Street	St. Joseph	MO	64503	(816) 232-4048
Lake of the Ozarks LINE-X	16038 Highway 5	Versailles	MO	65084	(573) 378-2551
MidSouth LINE-X-Olive Branch	8245 Hwy 178	Olive Branch	MS	38654	(662) 420-7995
LINE-X of Jackson	5219 Hwy 80E	Pearl	MS	39208	(601) 664-0030
LINE-X of Bozeman	28 Village Center Lane	Bozeman	MT	59718	(406) 586-0488
LINE-X of Kalispell	1035 West Center Street	Kalispell	MT	59901	(406) 257-8468
LINE-X of Missoula	2604 W. Broadway	Missoula	MT	59808	(406) 541-2119
LINE-X of Asheville	1575 Patton Ave.	Asheville	NC	28806	(828) 648-1201
LINE-X of Fayetteville	5247 US 301 S	Fayetteville	NC	28348	(910) 849-3200
LINE-X of Franklin NC	43 Mashburn White Rd	Franklin	NC	28734	(828) 421-3215
LINE-X of South Charlotte	185 Corporate Blvd	Indian Trail	NC	28079	(704) 821-6828
VA / NC LINE-X	473 Caratoke Hwy Rte 168	Moyock	NC	27958	(252) 232-8779
LINE-X of Pink Hill	601 N Kinston Blvd	Pink Hill	NC	28572	(252) 568-3474
LINE-X of Raleigh	4810 Signett Drive	Raleigh	NC	27616	(919) 855-0000
Crystal Coast LINE-X	105 Seth Thomas Ln.	Swansboro	NC	28584	(910) 326-1226
LINE-X of Wilmington	6121 Market Street	Wilmington	NC	28405	(910) 367-1282
LINE-X of Wilson	1425 Thorne Avenue	Wilson	NC	27893	(252) 246-9440
LINE-X of Winston-Salem	5350 University Pkwy	Winston Salem	NC	27106	(336) 744-5575
LINE-X of Greenville	199 Forlines Road	Winterville	NC	28590	(252) 341-4634
LINE-X of Bismarck / Mandan	3936 Memorial Hwy	Mandan	ND	58554	(701) 667-2199
LINE-X of Mayville	35 3rd Street SE	Mayville	ND	28257	(701) 524-1200

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Wahpeton	17915 ND-13	Wahpeton	ND	58075	(701) 642-3773
Fargo LINE-X	1265 Main Ave East Suite C	West Fargo	ND	58078	(701) 281-1015
LINE-X of Williston	6416 Wickum Rd NW	Williston	ND	58801	(701) 826-2000
LINE-X of Blair	1020 S. Hwy. 30	Blair	NE	68008	(402) 426-1818
LINE-X of Grand Island	2401 East US Highway 30	Grand Island	NE	68801	(308) 381-2755
LINE-X of Omaha	10911 Harrison St.	La Vista	NE	68128	(402) 331-3889
LINE-X of Lincoln	720 Van Dorn	Lincoln	NE	68502	(402) 466-2080
LINE-X of North Platte	1820 East Philip #3	North Platte	NE	69101	308-221-6005
LINE-X of Bow	1125 Rt 3A	Bow	NH	03304	(603) 224-7792
Upper Valley LINE-X	275 NH RT 118	Canaan	NH	03741	(603) 523-4442
Tri City LINE-X	1 Sumner Drive	Dover	NH	03820	(603) 742-9800
LINE-X of Southern New Hampshire	156 Lowell Rd.	Hudson	NH	03051	(603) 821-7272
LINE-X of Keene	38 FOUNDRY ST	Keene	NH	03431	(603) 352-0396
LINE-X of Lee NH	119 Calef Highway	Lee	NH	03861	(603) 742-9800
LINE-X of Littleton N.H.	1419 Mt. Eustis Rd	Littleton	NH	03561	(603) 444-0362
LINE-X of Tilton	491 Laconia Road	Tilton	NH	03276	(603) 528-0888
Auto Dogz LINE-X of South Jersey	158 South White Horse Pike	Audubon	NJ	08106	(856) 546-8439
New Jersey LINE-X	8W Chimney Rock Rd.	Bound Brook	NJ	08805	(732) 560-8500
LINE-X of Monmouth County	2 Industrial Drive	Keyport	NJ	07735	(732) 479-8189
LINE-X of Albuquerque	2019 Menaul Blvd. NE	Albuquerque	NM	87107	(505) 764-1971
LINE-X Coatings of Clark County	7585 Commercial Way	Henderson	NV	89011	(702) 434-9274
LINE-X of Reno	254 E. Glendale	Sparks	NV	89431	(775) 355-0710
LINE-X of Central New York	3577 Route 31	Baldwinsville	NY	13027	(315) 638-1036
LINE-X of Albany	1991 Central Avenue	Colonie	NY	12205	(518) 452-8468
LINE-X of Western New York	50 Burkhardt Ave	Depew	NY	14043	(716) 686-9133
LINE-X of Rochester	1965 Buffalo Rd	Gates	NY	14624	(585) 319-4185
FLX LINE-X	875 State Route 5 & 20	Geneva	NY	14456	(315) 694-0408
LINE-X of Jamestown	3067 Fluvanna Ave Extension	Jamestown	NY	14701	(716) 720-5120
Adirondack LINE-X	94 Big Boom Road	Queensbury	NY	12205	(518) 745-1001
LINE-X of Long Island	639 Sunrise Highway	W. Babylon	NY	11704	(631) 422-0300
LINE-X of Orange County NY	1022 State Route 52	Walden	NY	12586	(845) 335-9090

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Westchester	689 McLean Avenue	Yonkers	NY	10704	(914) 410-4932
LINE-X of North Canton	1638 Perry Drive SW	Canton	OH	44706	(330) 477-7400
LINE-X of Southern Ohio	671 Old State Rt. 74	Cincinnati	OH	45245	(513) 752-7500
LINE-X of Cincinnati	671 Old St. Rt. 74	Cincinnati	OH	45245	(513) 752-7500
LINE-X of Central Ohio	6540A Huntley Road	Columbus	OH	43229	(614) 430-3733
LINE-X of Central Ohio 2	3925 Business Park Drive	Columbus	OH	43204	(614) 275-1799
LINE-X of Dayton	400 Conover Drive	Franklin	OH	45005	(937) 641-8816
LINE-X of Lancaster	541 Mill Park Drive	Lancaster	OH	43130	(740) 689-9991
LINE-X of Marietta	221 Pike Street	Marietta	OH	45750	(740) 374-3154
LINE-X of Toledo	203 West Sophia St	Maumee	OH	43537	(419) 891-0566
LINE-X of Akron-Medina	387 Medina Road	Medina	OH	44256	(330) 474-0614
LINE-X of Newark	1410 East Main St.	Newark	OH	43055	(740) 345-4639
LINE-X of Greater Cleveland	10800 Royalton Road	North Royalton	OH	44133	(440) 628-8555
LINE-X of Lake County	1717 Mentor Avenue	Painesville	OH	44077	(440) 352-7094
LINE-X of Salem	29657 Tower Road	Salem	OH	44460	(330) 222-1100
LINE-X of Streetsboro	9040 State Route 14	Streetsboro	OH	44241	(330) 422-0370
LINE-X of Troy	1421 South Market Street	Troy	OH	45373	(937) 335-0560
LINE-X Truck Accessories of Chickasha	631 E. Choctaw Ave	Chickasha	OK	73018	(405) 224-8900
LINE-X on Broadway	3900 S. Broadway	Edmond	OK	73013	(405) 844-7230
LINE-X of Lawton	844 SE 1st Street	Lawton	OK	73501	(580) 355-6154
LINE-X Customs OKC	5809 Southwest 5th Street	Oklahoma City	OK	73128	(405) 778-8878
LINE-X of Shawnee	529 N. Harrison	Shawnee	OK	74801	(405) 214-5463
LINE-X of Stillwater	5703 East 6th street	Stillwater	OK	74074	(405)743-0911
LINE-X of Tulsa	4418 S. Mingo Road	Tulsa	OK	74146	(918) 665-4639
LINE-X of Clackamas	10325 SE HWY 212	Clackamas	OR	97015	(503) 655-0987
LINE-X of Lane County	745 River Ave	Eugene	OR	97404	(541) 463-7938
LINE-X of Klamath Falls	4343 Highway 39	Klamath Falls	OR	97603	(541) 850-8000
LINE-X of Southern Oregon	4840 Airway Drive	Medford	OR	97502	(541) 734-2600
LINE-X of Gresham	4250 NE 148th Avenue	Portland	OR	97230	(503) 261-7367
Starbucks Midvalley LINE-X	1635 Silverton Rd NE	Salem	OR	97301	(503) 540-0096
LINE-X of Clatsop County	781 Ave A	Seaside	OR	97138	(503) 739-7556
Truck Accessories LINE-X	10005 SW Tualatin Sherwood Rd	Tualatin	OR	97062	(503) 855-3519
Auto Truck Outfitters	104 Wilmingon-West Chester Pike	Chadds Ford	PA	19317	(610) 459-1758

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Crawford County	13266 State Hwy 198	Conneautville	PA	16406	(814) 587-0035
Steel City LINE-X	245 Freeport Road	Creighton	PA	15030	(724) 334-9856
LINE-X of Erie	3063 West 26th St	Erie	PA	16506	(814) 835-0549
Delaware Valley LINE-X	21 North York Rd	Hatboro	PA	19040	(215) 441-5727
LINE-X of Latrobe	3514 Rt. 30 West	Latrobe	PA	15650	(724) 879-4143
LINE-X of Cumberland County	5253 East Simpson Ferry Rd	Mechanicsburg	PA	17050	(717) 458-8404
LINE-X of Milroy	5015 Old US Hwy 322	Milroy	PA	17063	(717) 667-3923
LINE-X of Stroudsburg	9 Campbell Road	Mt Bethel	PA	18343	(610) 452-3259
LINE-X of Williamsport	38 Lucas Drive	Muncy	PA	17756	(570) 546-6169
LINE-X of Pine Grove	151 Molleystown Road	Pine Grove	PA	17963	(570) 345-6161
LINE-X of Lehigh Valley	1116 N. West End Blvd	Quakertown	PA	18951	(215) 536-3486
LINE-X of Wilkes-Barre	1019 North Washington Street	Wilkes Barre	PA	18705	(570) 829-2087
LINE-X of Reading	1140 Hobart Ave.	Wyomissing	PA	19610	(610) 376-7900
LINE-X of Wysox	1895 Golden Mile Road	Wysox	PA	18854	(570) 265-5533
LINE-X of South Central PA	820 Vogelsong Rd	York	PA	17404	(717) 430-2866
LINE-X of Pittsburgh North	22311 Perry Highway	Zelienople	PA	16063	(724) 831-1135
LINE-X of Rhode Island	33 Sharpe Drive	Cranston	RI	2920	(401) 681-1296
LINE-X of Anderson	701 Pearman Dairy Road	Anderson	SC	29625	(864) 261-3177
Tri-County LINE-X	7410 Cross County Rd.	Charleston	SC	29418	(843) 760-9551
LINE-X of Greenville SC	1000 Woodruff Rd Unit A	Greenville	SC	29607	(864) 438-4700
LINE-X of the Carolinas Inc	1660 Calhoun Road	Greenwood	SC	29649	(864) 227-3800
LINE-X of Columbia	4319 Augusta Road	Lexington	SC	29073	(803) 201-5133
LINE-X of Lugoff	1572 Whiting Way	Lugoff	SC	29078	(803) 438-0900
Inlet LINE-X	12436 HWY 707	Murrells Inlet	SC	29576	(843) 947-0474
LINE-X of Aiken-Augusta	5950 Jefferson Davis Hwy	North Augusta	SC	29841	(803) 426-1607
LINE-X of Rock Hill	3839 Celanese Road	Rock Hill	SC	29732	(803) 327-8838
LINE-X of Spartanburg	232 East Blackstock Road	Spartanburg	SC	29301	(864) 595-0091
Street Image Truck/Auto Acc & Blackhills LINE-X Bedliners	1161 Deadwood Ave. #1	Rapid City	SD	57702	(605) 716-4943
LINE-X of Sioux Falls	609 N Kiwanis Ave Suite A	Sioux Falls	SD	57104	(605) 370-3577
LINE-X of Atoka	2058 Tipton Rd	Atoka	TN	38004	(901) 406-8259
LINE-X of Clarksville	424 Bellamy Lane	Clarksville	TN	37043	(931) 802-5656
LINE-X of Cleveland	1107 South Lee Hwy	Cleveland	TN	37311	(423) 559-2668

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Franklin	3975 Carothers Pkwy.	Franklin	TN	37067	(615) 599-1115
LINE-X of West Tennessee	1032 US Highway 45 Bypass	Jackson	TN	38301	(731) 240-1345
LINE-X of Knoxville	8812 Kingston Pike	Knoxville	TN	37923	(865) 693-3776
LINE-X of Nashville	813 East Old Hickory Blvd	Madison	TN	37115	(615) 865-1002
MidSouth LINE-X	5900 Summer Avenue	Memphis	TN	38134	(901) 383-9470
Lakeway LINE-X	2478 Brights Pike	Morristown	TN	37814	(423) 317-0222
LINE-X of Murfreesboro	2240 B Northwest Broad Street	Murfreesboro	TN	37129	(615) 427-4700
LINE-X Truckgear of Tullahoma	611 S Anderson St	Tullahoma	TN	37388	(931) 461-7482
LINE-X of Amarillo	312 South Crockett Street	Amarillo	TX	79106	(806) 341-9447
LINE-X of Arlington	179 S. Watson Road	Arlington	TX	76010	(817) 633-9533
LINE-X of East Austin	9621 N IH35 Service Road	Austin	TX	78753	(512) 444-8677
LINE-X of Fort Worth	8155-A Hwy 80 West	Benbrook	TX	76116	(817) 244-6500
LINE-X of the Texas Hill Country	31125 IH 10 West	Boerne	TX	78006	(830) 755-4555
LINE-X of Brownsville	1717 Boca Chica Blvd.	Brownsville	TX	78521	(956) 621-0686
LINE-X of Johnson County	1736 N. Main Street	Cleburne	TX	76033	(817) 558-4466
LINE-X of Corpus Crisiti	6506 Robertson Drive	Corpus Christi	TX	78415	(361) 225-4639
LINE-X Custom Trucks Unlimited of Dallas	1860 W. Mockingbird Lane	Dallas	TX	75235	(469) 754-3990
Arc-Rite Welding and Truck Accessories	5555 W Hwy 90	Del Rio	TX	78840	(800) 848-9763
Metroplex LINE-X	3939 S Interstate 35 E	Denton	TX	76210	(940) 243-6264
LINE-X of El Paso	5855 Montana Ave	El Paso	TX	79925	(915) 772-1488
LINE-X of North Dallas	11419 Ferrell Drive	Farmers Branch	TX	75234	(469) 269-6536
LINE-X of South Texas Truck Gear	2696 Bus Loop 181 N	Floresville	TX	78114	(830) 216-7261
LINE-X Custom Trucks Unlimited Grapevine	706 E Northwest Hwy	Grapevine	TX	76051	(817) 527-7073
LINE-X of Harker Heights	108 West FM-2410	Harker Heights	TX	76548	(254) 690-1763
LINE-X of South Houston	3430 S. Sam Houston Pkwy E Suite 150	Houston	TX	77047	(832) 789-8000
LINE-X of Round Rock	600 Lemens Avenue	Hutto	TX	78634	(512) 642-5406
LINE-X of Katy	1303 Price Plaza Drive	Katy	TX	77449	(281) 717-2200
LINE-X of Laredo	502 E. Calton Rd.	Laredo	TX	78041	(956) 568-9540
LINE-X of Austin	10209 E Crystal Falls Pkwy	Leander	TX	78641	(512) 528-6038

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Lubbock/806 Desert Customs, Inc	8901 Highway 87	Lubbock	TX	79423	(806) 370-6295
LINE-X of Marble Falls	1415 S Hwy 281	Marble Falls	TX	78654	(830) 262-0180
LINE-X of McKinney/Frisco	1513 S. Tennesse Street	McKinney	TX	75069	(469) 269-6536
LINE-X Custom Trucks Unlimited of Mesquite	4400 U.S. Highway 80	Mesquite	TX	75149	(972) 329-8259
LINE-X of New Braunfels	3185 S. Interstate 35	New Braunfels	TX	78130	(830) 214-0580
LINE-X of Odessa	2027 E 8th St	Odessa	TX	79761	(432) 245-4639
LINE-X Of McAllen	2905 N Sugar Rd	Pharr	TX	78577	(956) 686-4778
LINE-X Trucks-N-Stuff	4050 Premier Dr	Plano	TX	75023	(972) 516-9580
LINE-X Custom and Accessories	403 S. Highway 342	Red Oak	TX	75154	(972) 617-3161
LINE-X of Rockwall	2045 Kristy Ln	Rockwall	TX	75032	(972) 597-4940
LINE-X of San Angelo	5444 N FM 2288	San Angelo	TX	76901	(325) 651-8101
LINE-X of San Antonio	5504 Bandera Road	San Antonio	TX	78238	(210) 522-1122
LINE-X of San Antonio 2	12834 San Pedro Ave	San Antonio	TX	78216	(210) 366-4422
LINE-X of Texoma	4511 Texoma Pkwy	Sherman	TX	75090	(903) 870-2040
LINE-X of Houston	130 Magic Oaks Drive	Spring	TX	77388	(281) 288-6828
East Texas LINE-X	1315 W. Industrial Dr.	Sulphur Springs	TX	75482	(903) 885-5327
LINE-X of Tyler	11190 State Hwy 64 East	Tyler	TX	75707	(903) 747-8161
LINE-X of Waco	7712 Central Park Dr	Waco	TX	76712	(254) 732-1024
LINE-X of Midvale	7000 South State St	Midvale	UT	84047	(801) 255-1512
LINE-X of Southern Utah	4012. S River Rd	St. George	UT	84790	(435) 627-6888
LINE-X of Chesapeake	1720 South Park Court	Chesapeake	VA	23320	(757) 938-9188
LINE-X of Lynchburg	1313 Thomas Jefferson Rd	Forest	VA	24551	(434) 525-8878
LINE-X of Fredericksburg	712 B Warrenton Road	Fredericksburg	VA	22406	(540) 361-1949
LINE-X of Harrisonburg	3620 South Main Street	Harrisonburg	VA	22801	(540) 208-7762
Old Dominion LINE-X Inc	225 E Poythress St	Hopewell	VA	23860	(804) 778-7400
LINE-X of Manassas	12085 Cadet Ct.	Manassas	VA	20109	(703) 393-0001
LINE-X of Norton	520 Kentucky Ave SW	Norton	VA	24273	(276) 325-0726
LINE-X of Richmond	6405 Dickens Place	Richmond	VA	23230	(804) 321-9166
LINE-X of the Blue Ridge	504 Roanoke Street	Salem	VA	24153	(540) 389-8595
LINE-X of Northern VA Inc (EPM)	100 Glenn Drive	Sterling	VA	20164	(703) 433-9333
LINE-X of Suffolk	2432 Pruden Blvd	Suffolk	VA	23434	(757) 539-7710
LINE-X of Virginia Beach	2858 Crusader Cir	Virginia Beach	VA	23453	(757) 490-8848

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X of Winchester	211-3 Sulky Drive	Winchester	VA	22602	(540) 868-0400
LINE-X of Woodbridge	847 Highams Court	Woodbridge	VA	22191	(703) 499-9442
Virginia LINE-X Inc	7205 D Route 17	Yorktown	VA	23692	(757) 877-2328
LINE-X Plus	3508 C Street NE	Auburn	WA	98002	(253) 735-1220
LINE-X of Bellingham	1801 Bouslog Road	Burlington	WA	98233	(360) 395-2170
LINE-X @ 410	28120 State Route 410 East	Buckley	WA	98321	(360) 829-5372
LINE-X of Burlington	1801 Bouslog Road	Burlington	WA	98233	(360) 395-2170
Twin Cities LINE-X	2635 NE Kresky Ave	Chehalis	WA	98532	(360) 740-4660
LINE-X Northwest	5306 Pacific Hwy East	Fife	WA	98424	(253) 922-5969
LINE-X of the Tri-Cities	6510 W. Okanogan Ave	Kennewick	WA	99336	(509) 374-4826
LINE-X of Kirkland	13205 NE 124th St	Kirkland	WA	98034	(425) 820-5809
LINE-X of Longview	1416 Tennant Way	Longview	WA	98632	(360) 423-2877
Emerald City LINE-X	17709 Hwy 99	Lynnwood	WA	98037	(425) 742-9566
LINE-X of Moses Lake	500 East 3rd Avenue	Moses Lake	WA	98837	(509) 765-2505
LINE-X of Silverdale	9623 Provost Rd #101	Silverdale	WA	98383	(360) 692-8504
LINE-X of Spokane	110 S Sherman St	Spokane	WA	99202	(509) 326-3364
LINE-X of Olympia	5403 Capitol Boulevard SW	Tumwater	WA	98501	(360) 709-0363
LINE-X of Vancouver	2773 NE Andersen Road	Vancouver	WA	98661	(360) 719-2725
LINE-X of Wenatchee	601 S. Wenatchee Ave	Wenatchee	WA	98801	(509) 664-5123
LINE-X of Clintonville	N2885 Pioneer Road	Clintonville	WI	54929	(715) 823-8917
LINE-X of Eagle River	1050 East Wall Street	Eagle River	WI	54521	(715) 479-4401
LINE-X of Fond du Lac	N5580 Cty Rd D	Fond du Lac	WI	54937	(920) 933-5326
LINE-X of NE Wisconsin	1490 Gruber Road	Green Bay	WI	54313	(920) 490-8666
Fox Valley LINE-X	2200 Tower Drive	Kaukauna	WI	54130	(920) 462-4608
LINE-X of Kenosha	7426 12th Street	Kenosha	WI	53144	(262) 605-0444
LINE-X of Madison	4016 Terminal Dr	McFarland	WI	53558	(608) 838-0879
LINE-X of Milwaukee	5200 N 124th Street	Milwaukee	WI	53225	(262) 781-2345
LINE-X of Hudson	601 6th Street N	North Hudson	WI	54016	(715) 386-1000
LINE-X of Central Wisconsin	1680 Cty Rd	Rothschild	WI	54474	(715) 355-0509
LINE-X of Southwestern Wisconsin	1500 W Hwy 16	West Salem	WI	54669	(608) 786-4403
LINE-X of West Virginia	4200 First Avenue	Nitro	WV	25143	(304) 755-0036
LINE-X of North Central WV	5508 Benedum Dr	Shinnston	WV	26431	(304) 366-5463
LINE-X of Cheyenne	216 N Avenue D	Cheyenne	WY	82007	(307) 275-3131
Ellingford LINE-X	221 County Rd	Evanston	WY	82930	(307) 789-1515

FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED IN OUR FISCAL YEAR 2020

FRANCHISEE	STREET	CITY	STATE	ZIP
LINE-X of North Miami	No Physical Location Yet	Miami	FL	
LINE-X of St Petersburg	404 34th Street South	St Petersburg	FL	33712
LINE-X of Rockford	No Physical Location Yet	Rockford	IL	
LINE-X of Danville	935 Stanford Road	Danville	KY	40422
Harford County LINE-X	1708 Harford Rd	Fallston	MD	21047
Jackson LINE-X	No Physical Location Yet	Jackson	MI	
LINE-X of Mt Pleasant	6792 E Pickard Road	Mt Pleasant	MI	48858
LINE-X of Las Vegas	2901 S Highland Dr	Las Vegas	NV	89109
FLX LINE-X	875 State Route 5 & 20	Geneva	NY	14456
Low Country LINE-X	No Physical Location Yet	Beauford	SC	29906
LINE-X of Red River	405 N McCoy Blvd	New Boston	TX	75570
LINE-X Custom Truck Unlimited North Richland Hills	No Physical Location Yet	North Richland Hills	TX	
LINE-X of Kaufman	15780 State Hwy 205	Terrell	TX	75160
Twin County LINE-X	No Physical Location Yet	Galax	VA	
LINE-X of Sheboygan	No Physical Location Yet	Sheboygan	WI	

EXHIBIT I TO

LINE-X FRANCHISING LLC

DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS
UNDER THE FRANCHISE AGREEMENT
AS OF SEPTEMBER 30, 2020

FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT

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 or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

FRANCHISEE	CONTACT	CITY	STATE	ZIP	PHONE
LINE-X of the Desert	Christopher Tefft	North Palm Springs	CA	92258	760-329-4665
LINE-X of Montrose	Cody Padilla	Montrose	CO	81401	970-249-7777
State Line LINE-X	Dale Lundgren	Belvidere	IL	61008	815-544-5064
LINE-X Linings	Joshua & Justin Warner	Montgomery	IL	60538	630-851-5463
LINE-X of Augusta	Troy Palmer	Augusta	KS	67010	316-775-9292
LINE-X of Lawrence	David Parks	Lawrence	KS	66046	785-842-8000
LINE-X of Taylor	James Beebe	Dearborn Heights	MI	48125	734-992-3522
Gallup Welding & LINE-X	Greg Vanderwagen	Gallup	NM	87301	505-863-4882
LINE-X of Western OK	Keith & Shelly Head	Weatherford	OK	73096	580-774-5000
LINE-X of Dinsmore Welding & Fabrication	Mel Dinsmore	Kersey	PA	15846	814-885-6407
LINE-X of Watertown	Lake Vande Zande	Watertown	SD	57201	605-868-3722
LINE-X of Knoxville-West	Shawn & Tamara Faircloth	Knoxville	TN	37919	865-693-3776
LINE-X of Sugar Land	John Leuschen	Houston	TX	77036	281-935-8900
LINE-X of Salt Lake City	Dave Lloret	West Valley City	UT	84120	801-641-5778

FRANCHISEES WHO NEVER OPENED

FRANCHISEE	CONTACT	CITY	STATE	EMAIL
LINE-X of Paso Robles	Curt Owens	Paso Robles	CA	curtowens7@aol.com
LINE-X of Great Falls	Mark Sporkia	Great Falls	MT	mark_sporkia@yahoo.com
LINE-X of Toms River	Peter and Courtney Alesso	Toms River	NJ	pete@gsdcoatings.com
LINE-X by Atlantic Coatings Systems	Paul Gurney and Robert Radecki Jr	New Hyde Park	NY	pgurney@nevilleapparatus.com
LINE-X of Bend	Craig and Sandy Crenshaw	Bend	OR	craig.s.crenshaw@gmail.com
LINE-X of Gallatin	Mike and Flora Caudill	Gallatin	TN	mike@godriven360.com
Brian Rezny	Brian Rezny	Cape Coral	FL	rezny@msn.com

FRANCHISEES WHO TRANSFERRED A STORE DURING FISCAL YEAR 2020

FRANCHISEE	CONTACT	CITY	STATE	ZIP	PHONE
LINE-X of Conejo Valley	Mike Cross	Newbury Park	CA	91320	805-376-9200
LINE-X of Empire	Brett Brinkman	Rancho Cucamongo	CA	91730	909-980-8922
LINE-X of Denver	Mark Neu	Denver	CO	80216	303-308-0888
NoCo LINE-X	Bruce Burg	Loveland	CO	80537	970-460-9198
LINE-X of Alpharetta	Richard Hopkins	Roswell	GA	30076	678-297-1101
LINE-X of the Quad Cities	Dick Byard	Davenport	IA	52806	563-588-1858
LINE-X of Idaho Falls	Lee Frogner / Harry Wetherald	Idaho Falls	ID	83401	208-520-9318
LINE-X of Morehead	James Lewis	Morehead	KY	40351	606-784-1155
LINE-X of Sykesville	Glenn Elliott	Sykesville	MD	21784	410-292-7264
LINE-X of Augusta	Larry Maillet	Farmingdale	ME	04344	207-582-0282
LINE-X of Wilmington	Glenn House	Wilmington	NC	28405	910-798-8999
LINE-X of Williston	Jason Shaffer	Williston	ND	58801	406-212-0247
LINE-X of Littleton	Stephen Moscicki Jr, Stpehen Moscicki & Sandra Moscicki	Littleton	NH	03561	603-444-0362
LINE-X of Streetsboro	Randolph Victor	Streetsboro	OH	44241	330-422-0370
LINE-X of Kingston	Cory Bride	Kingston	PA	18704	570-829-2087
LINE-X of Amarillo	Ryan McAnaul	Amarillo	TX	79109	806-341-9447
LINE-X of Arlington	Michael A. Johnston	Arlington	TX	76010	817-633-9533
Texas Truck & Trailer	Oscar & Richard Toledo	Austin	TX	78704	512-444-8677

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

EXHIBIT J TO
LINE-X FRANCHISING LLC
DISCLOSURE DOCUMENT

EQUIPMENT PACKAGE LIST

EQUIPMENT PACKAGE LIST

SPRAY SYSTEM PACKAGES

BASE	HIGH	ITEM DESCRIPTION
0	**1**	**HXP2 Elite Reactor2 Package (not included in standard pkg.)**
		A. Proportioner
		B. 50 Ft Heated Main Hose
		C. 10 FT Heated Whip Hose
		D. Fusion Spray Gun
1		**EXP2 Reactor2 Package**
		A. Proportioner
		B. 50 Ft Heated Main Hose
		C. 10 FT Heated Whip Hose
		D. Fusion Spray Gun
0	**1**	**HP E10-With Fusion Gun (not included in standard pkg.)**
		A. Sprayer, E-10HP 110 volt
		B. 35 Ft Hose Bundle
		C. Fusion Spray Gun with AW2222
1	1	Agitator
1	1	Manifold
1	1	1/2" male elbow
1	1	1/2" ball valve
1	1	3-10Ft Air Hose
1	1	4 Ft Air Hose
1	1	2-Quick Connect, Air Coupler
1	1	Quick Connect, Air Fitting
1	1	Recirculation Kit
		G246477 2-Kit, Return Tube
		H45010 2-Hose, Fluid
		G162449 2-Nipple, Reducing
1	1	2-Union, Swivel; 3/4 NPT
1	1	Barb, 1/2 x 1/2 MT
1	1	1/2 Clamp, Two Ear
1	1	Air Coupler, Male, 1/4 FNPT

BASE	HIGH	ITEM DESCRIPTION
1	1	Air Coupler, Female, 1/4 MNPT
1	1	KIT, T1 with plumbing
1	1	Plastic Tube, 6ML Price Per Foot
0	1	6/4 Electrical Calbe for EXP2

SPARE PARTS

BASE	HIGH	ITEM DESCRIPTION
1	1	"A side" Displacement Pump Rebuild Kit
1	1	FUSION AP Gun Parts Kit
1	1	Gun Cleaning Kit

SUPPLIED ITEMS

BASE	HIGH	ITEM DESCRIPTION
1	1	Jiffy Mixer
1	1	3 Bung Hole Lid
0	1	Spray Test Panel
1	1	Positector 6000 Dual metal gauge
1	1	N-Methylpyrolidone (NMP)
1	1	Pro-Line Wire Trim Std Case/10
1	1	50ML Cartridge Gun
1	1	Spot Repair Kit 50ml Dual Black
1	1	Static Mixer 50ml Pk/10
1	1	Brake Clean Green Case/12
1	1	5 Gallon Approved Bucket with Lid
1	1	1" Masking Tape CS/36
1	1	2" Masking Tape CS/24
1	1	14' Plastic Sheeting
1	1	12" Green Masking Paper
1	1	18" Green Masking Paper
1	1	LINE-X Renew Cleaner Non-Aerosol 1 gallon
1	1	Degreaser

BASE	HIGH	ITEM DESCRIPTION
1	1	LINE-X Renew Empty Pressure Spray Bottle
1	1	Accuspray Gun
1	1	PPS Large Cup & Collar
1	1	PPS Large Lids & Liner (25)
1	1	Atomizing Head Refill Kits (4-1.8mm)
1	1	Paper Dispenser (Masking Paper)
1	1	Sandcloth, 80 Grit/Box50
1	1	Pre-Fold Plastic Sheeting
1	1	M3000 Hand Masker w/Blade
1	1	SIA Soft Sanding Pad/Box20
1	1	DA Sander
1	1	Die Grinder
1	1	Air Sander (2500 RPM) for cup brush
9	9	Cup brush – Red 6” (9 or more $14.90/each)

FRESH AIR BREATHING SYSTEM AND PPE

Base	High	ITEM DESCRIPTION
1	1	Fresh Air System
1	1	Tear Away (Pack of 2)
1	1	Spray Socks, PK/12
1	1	Disposable Spray Suites, XL, Case/25
1	1	Disposable Nitrile Gloves Case/10

COLOR CHANGE KIT - OPTIONAL PACKAGE

BASE	HIGH	ITEM DESCRIPTION
0	1	2:1 Stubby Pump CS
0	1	Cover & Agitator Assy
0	1	Flange Bung
0	1	Coupling Swivel
0	1	5 Gallon UN Approved Bucket with Lid
0	1	217-382 Hose

0	1	3/4 Ball Valve x 3/4 FT
0	1	Valve Qneedle
0	1	3/8 x 1/4 Pipe Thread Reducer
0	1	3/8 x 1/4 Reducing Nipple
0	1	Tee, 3/4 FNPT x 2 Female, 1 Male
0	1	Air Coupler, Male, 1/8 MNPT
0	1	Air Coupler, Male, 1/4 MNPT
0	1	Nipple, 3/4

LINE-X PIGMENTS - OPTIONAL PACKAGE

BASE	HIGH	ITEM DESCRIPTION
0	1	AZ Beige Polyol Dispersion 1 Gal Can
0	1	Black Polyol Dispersion 5 Gal Pail
0	1	Blue Polyol Dispersion 1 Gal Can
0	1	Brown Polyol Dispersion 1 Gal Can
0	1	Green Polyol Dispersion 1 Gal Can
0	1	Red Polyol Dispersion 1 Gal Can
0	1	Tan Polyol Dispersion 1 Gal Can
0	1	Toreador Red Polyol Dispersion 1 Gal Can
0	1	White Polyol Dispersion 1 Gal Can
0	1	Yellow Polyol Disperion 1 Gal Can
0	1	XS-100 Resin "B" Black - 5 Gal Pail
0	1	XS-350 Series Resin "B" - 5 Gal Pail

LINE-X XTRA - OPTIONAL PACKAGE

BASE	HIGH	ITEM DESCRIPTION
0	1	LINE-X XTRA Natural Base 1 Gal
0	1	LINE-X XTRA Hardner/Activator 1 Qt.
0	1	LINE-X XTRA Accelerator 1 Qt.
0	1	Tornado Paint Shaker

EXHIBIT K TO
LINE-X FRANCHISING LLC
DISCLOSURE DOCUMENT

INITIAL INVENTORY LIST

INITIAL INVENTORY OF COATING PRODUCTS

LINE-X MATERIAL	
Item Description	
XS-100A-490LB	XS-100 "A" IN 55 GAL DRUM
XS-BK100B-435LB	XS-BK100 RESIN "B" BLACK IN 55 GAL DRUM
XS-350A	XS-350 "A" IN 5 GAL DRUM (55 GAL DRUM HIGH)
XS-350BS-435LB	XS-350 “B” IN 5 GAL DRUM (55 GAL DRUM HIGH)
PRM-A1	Premium "A" ISO 1 Gallon
PRM-B1-BK	Premium "B" Black Resin 1 Gallon
P4342M-05	5-Gallon Black POP Pigment
XPM	XPM Primer Kit
FCP	FCP Primer Kit

EXHIBIT L TO
LINE-X FRANCHISING LLC
DISCLOSURE DOCUMENT

FRANCHISE DATA RELEASE AUTHORIZATION AND CONFIDENTIALITY AGREEMENT

LINE-X / KEYSTONE

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 Franchises 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
- No minimum purchase requirement
- 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 Franchises)
- 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 bstewart@linex.com.

Franchise Store Name: _____

Franchise Address: _____

Franchise Phone Number:_____

Franchise Number: _____

Franchise Owner Name: _____

Franchise Owner Signature: _____

Date: _____

EXHIBIT M TO
LINE-X FRANCHISING LLC
DISCLOSURE DOCUMENT

EQUIPMENT PURCHASE, LOAN AND SECURITY AGREEMENT

LINE-X LLC
EQUIPMENT PURCHASE, LOAN AND SECURITY AGREEMENT

This Equipment Purchase, Loan and Security Agreement (the "**Agreement**"), is made and entered into this __ day of ____, 2017, by and between LINE-X LLC, a Delaware limited liability company, having its principal place of business at 301 James Record Rd., Suite 250, Huntsville, AL 35824 ("**LINE-X**") and _____, having its principal place of business at _____("**FRANCHISEE**").

IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH IN THIS AGREEMENT, and other good, valuable and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, LINE-X and FRANCHISEE hereby agree as follows:

1. **TERM.** Unless earlier terminated pursuant to the terms of this Agreement, this Agreement shall be in effect for a term of six (6) Calendar Months from and after the date of this Agreement.

2. **EQUIPMENT LOAN.** LINE-X shall provide FRANCHISEE with certain equipment listed on Exhibit A attached hereto (the "Equipment") for use in the franchised LINE-X business operated by FRANCHISEE. The cost of the Equipment is _____Dollars ($_____) ("Equipment Cost"). Pursuant to a Promissory Note (the "Note") that shall be executed by FRANCHISEE, the form of which is attached hereto as Exhibit B, FRANCHISEE agrees to pay LINE-X for the Equipment Cost as follows:

   (i) The Equipment Cost shall be amortized, without interest, at a rate of zero percent (0%) per annum (or the maximum rate allowable by law, whichever is less) over a six (6) month period, on a monthly basis. Commencing on the first (1st) day of _____, FRANCHISEE shall make six (6) consecutive, equal monthly payments, each in the amount of _____ Dollars ($_____).

   (ii) In the event that a payment due under this Agreement and the Note is not made within thirty (30) days of the time set forth herein, the FRANCHISEE shall pay an additional late fee in the amount of 1.5%.

   (iii) Upon any termination pursuant to Section 4 of this Agreement, LINE-X may, at its option, accelerate the due date of all remaining monthly payments, and the unpaid balance will thereupon immediately become due and payable without demand or notice.

   (iv) In addition to the other sums herein specified, FRANCHISEE shall pay on demand all costs of collection and attorneys' fees incurred or paid by LINE-X in enforcing the payment of the Equipment Cost when the same has become due.

3. **SECURITY AGREEMENT.** FRANCHISEE hereby grants to LINE-X a security interest in the Equipment listed on Exhibit A, attached hereto, and all additions and accessories thereto and replacements thereof and all proceeds of that personal property, including insurance proceeds payable for the loss thereof or damage thereto all or part of which (is) (may be or will be) installed in, affixed to, or attached to the real estate situated at the locations listed in Exhibit A (the "Premises"). The following shall apply with respect to such security interest:

   (i) The Equipment will not be misused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use. FRANCHISEE will maintain fire and extended coverage insurance on the Equipment in an amount equal to the actual cash value of the Equipment payable to both LINE-X and FRANCHISEE, as their interests appear, until this Agreement is terminated.

   (ii) FRANCHISEE will defend, indemnify and hold LINE-X harmless from and against any loss or claim, of whatever kind, arising out of the use of the Equipment.

(iii) The Equipment will not be relocated, sold, transferred, borrowed against/on, disposed of or be subjected to any unpaid charge, including taxes, or to any subsequent interest of a third person created or suffered by FRANCHISEE voluntarily or involuntarily, unless LINE-X consents in advance in writing.

(iv) FRANCHISEE will pay promptly when due all taxes and assessments upon the Equipment or for its use or operation or upon this Agreement.

(v) FRANCHISEE will sign and execute a UCC-1 Financing Statement, and any other financing statements, or other document or procure any document, and pay all connected costs, necessary to protect the security interest under this Agreement against the rights or interest of third persons.

(vi) Upon FRANCHISEE's default under this Agreement, LINE-X may (a) exercise its rights of enforcement under the Uniform Commercial Code to collect the Equipment or to render it unusable; (b) require FRANCHISEE to assemble the Equipment and make it available at a place LINE-X designated which is mutually convenient, to allow LINE-X to take possession of and/or dispose of the Equipment; (c) waive any default or remedy any default in any reasonable manner without waiving or limiting LINE-X's right to thereafter enforce or compel strict compliance with every term and condition of this Agreement; and/or (d) incur reasonable attorney's fees and legal expenses in exercising any of its rights and remedies upon FRANCHISEE's default which shall become part of LINE-X's reasonable expenses in retaking, holding, preparing for resale, and the like.

FRANCHISEE will reimburse LINE-X for any action to remedy a default which LINE-X elects pursuant to the terms of this Section 3, including any costs associated with the removal of the Equipment and restoration of any real estate.

FRANCHISEE UNDERSTANDS THAT IF FRANCHISEE FAILS TO MEET ANY OF THE OBLIGATIONS UNDER THIS AGREEMENT, LINE-X HAS AN IMMEDIATE RIGHT TO POSSESSION OF THE EQUIPMENT. POSSESSION MAY BE OBTAINED BY LINE-X RETAKING POSSESSION WITHOUT THE PRIOR INTERVENTION OF ANY COURT OR OTHER PROCEEDING PROVIDED THE ACT OF TAKING POSSESSION IS PEACEFUL. IN THE EVENT LINE-X CANNOT OR DOES NOT DESIRE TO PERSONALLY REPOSSESS THE EQUIPMENT, LINE-X MAY PROCEED TO OBTAIN A COURT ORDER WHICH MAY BE GIVEN WITHOUT PRIOR HEARING. BY SIGNING BELOW, FRANCHISEE SPECIFICALLY WAIVES ANY RIGHT TO NOTICE THAT LINE-X INTENDS TO REPOSSESS, AND WAIVES ALL RIGHTS TO A HEARING PRIOR TO A TAKING OF POSSESSION BY LINE-X.

(vii) FRANCHISEE agrees and affirms that: (a) the information supplied and statements made by FRANCHISEE in any financial or credit statements prior to this Agreement are true and correct; (b) no Financing Statement covering the Equipment or its proceeds is on file in any public office and that except for the security interest granted in this Agreement, there is no adverse lien, security interest, or encumbrance on the Equipment.

4. TERMINATION; REMEDIES. This Agreement may be terminated as follows: (i) by mutual consent of the parties in writing; or (ii) by LINE-X, immediately upon written notice, if: (a) any payment due hereunder is unpaid when due and remains unpaid for ten (10) days after written notice from LINE-X to FRANCHISEE; (b) FRANCHISEE defaults in the performance of or breaches any provision of this Agreement and does not cure the same within ten (10) days after notice of such default or breach; or (c) any proceeding in bankruptcy is filed, or any order for relief in bankruptcy is issued, by or against FRANCHISEE, or if a receiver for FRANCHISEE or the Premises is appointed in any suit or proceeding brought by or against FRANCHISEE, or if there is an assignment by FRANCHISEE for the benefit of FRANCHISEE'S creditor(s).

In the event of termination, all rights of FRANCHISEE hereunder shall cease and FRANCHISEE shall promptly pay LINE-X the entire amounts due pursuant to Section 2, the Note, and any other part of this Agreement. Nothing contained herein shall be deemed to limit or otherwise restrict any right, power, or remedy of LINE-X at law or equity, and all rights, power, and remedies shall be cumulative.

5. **NOTICE.** Any written notice required or permitted to be given under this Agreement shall be in writing and delivered to the address provided for the party in question in the heading of this Agreement. Any party may change the mailing address or other information provided for it in the heading hereof by written notice given in accordance with this Section 5.

6. **LIMITATIONS OF LIABILITY.** Regardless of fault or negligence, LINE-X shall not be liable to FRANCHISEE for loss of use or profit or any other special, consequential, indirect, exemplary or punitive damages of any kind related to this Agreement.

7. **ASSIGNMENT.** LINE-X may assign or transfer this Agreement without FRANCHISEE'S prior written consent. FRANCHISEE may not assign this Agreement without the express prior written consent of LINE-X. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the heirs, successors, and assigns of LINE-X and FRANCHISEE. Notwithstanding any provision herein to the contrary, should FRANCHISEE sell or transfer the business or any of the Premises described in Section 3 of this Agreement (including, but not limited to, any right to operate the business or Premises,) such action shall be deemed a breach of this Agreement (subject to Section 4(ii).)

8. **ENTIRETY OF CONTRACT/ SEVERABILITY.** This Agreement, which, together with the Exhibits referred to herein, is intended by the parties as the final, complete and exclusive statement of the terms, conditions and specifications of their agreement and is intended to supersede all previous oral or written agreements and understandings between the parties relating to its specific subject matter. If any provision of this Agreement or the application of any such provision to any person or circumstance is held invalid, the application of such provision to any other person or circumstance and the remainder of this Agreement will not be affected thereby and will remain in full effect.

9. **GOVERNING LAW.** This Agreement shall become valid when executed and accepted by LINE-X at Huntsville, Alabama. The laws of Alabama shall apply to any claim or controversy regarding the making, entering into, performance, or interpretation of this Agreement, without giving effect to any conflict-of-law rules of such jurisdiction.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first set forth above.

LINE-X LLC

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

EXHIBIT A

EQUIPMENT DESCRIPTION	MODEL / SERIAL NO.	LOCATION/ ADDRESS

EXHIBIT B
SECURED PROMISSORY NOTE

$_____ *[Loan Date]*

FOR VALUE RECEIVED, *[FRANCHISEE]* of *[FRANCHISEE'S ADDRESS]* ("**MAKER**") promises to pay to the order LINE-X LLC, a Delaware limited liability company, having its principal place of business at 301 James Record Rd., Suite 250, Huntsville, AL 35824 ("**LINE-X**"), the principal sum of _____ Dollars ($_____), together with interest thereon at a rate of zero percent (0%) per annum (or the maximum rate allowable by law, whichever is less.) Commencing on the first (1st) day of _____, MAKER shall make six (6) consecutive, equal monthly payments, each in the amount of _____ Dollars ($_____).

In the event a payment due under this Note is not made within 30 days of the time set forth herein, MAKER shall pay an additional late fee in the amount of 1.5%.

Upon breach of any of the covenants or representations of MAKER including, but not limited to, a default in the payment of any principal or interest due under the terms of the Note, LINE-X, or any holder of this Note, may, at its option accelerate maturity hereof, and the unpaid balance will thereupon immediately become due and payable without demand or notice.

When the obligations hereunder become due, and at any time thereafter, the holder may, at its option, demand, sue for collection, or make any compromise or settlement it deems desirable with reference to collateral held hereunder. These obligations may be paid in full at any time without penalty.

No delay or omission on the part of the holder in exercising any right hereunder shall operate as a waiver of such right or any other right under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right and/or remedy on any future occasion.

In addition to the other sums herein specified, the MAKER shall pay on demand all costs of collection and attorneys' fees incurred or paid by the holder in enforcing this Note when the same has become due.

MAKER'S obligations under this Note shall be perfected by a UCC-1 Financing Statement filed with the *[INSERT STATE]* Secretary of State within thirty (30) days from the date of this Note.

The MAKER, endorsers, sureties, guarantors and all other parties now or hereafter liable hereon, waive presentment, demand for payment, protest and notice of dishonor and consent that the holder or owner of this Note shall have the right, without notice, to deal in any way at any time with any party hereto or to grant to any such party any extensions of time for payment of any of said indebtedness or any other indulgence or forbearance whatsoever, or may release any of the security of this Note without in any way affecting the liability of any party hereunder.

In the event either party initiates any legal proceedings to construe or enforce the terms, conditions and provisions of this Agreement, including its termination provisions, or to obtain damages or other relief to which either may be entitled by virtue of this Agreement, the prevailing party shall be paid its reasonable attorneys' fees and costs by the other party.

This Note and the rights, duties, obligations and remedies of the parties hereunder, shall be governed by and construed in accordance with the laws of Alabama.

WITNESSES

_____

_____

[FRANCHISEE'S NAME]

By: _____

Title: _____

Printed Name: _____

EXHIBIT N TO
LINE-X FRANCHISING LLC
DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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 O TO
LINE-X FRANCHISING 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 Franchising 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, Oklahoma and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, and Wisconsin require 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 Franchising 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 Franchising LLC, located at 301 James Record Road, Suite 250, Huntsville, AL 35824. The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Samantha C. Styger, Tim Wyatt, Bob Kenna, Patrick Logan, Richard Kent Henderson, Michael Tidd, William Scott Harmon, Matthew Walther, Tim Tyrka, Lori Rigsby, Ian Dial, James R. Graham, Brian Stewart, Andrew Wilson, Greg Fields, Laura Younger, and Tom Yash, all at 301 James Record Road, Suite 250, Huntsville, Alabama 35824, (800) 831-3232.

Issuance Date: February 18, 2021. LINE-X Franchising LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a Franchise Disclosure Document dated February 18, 2021. This Disclosure Document included the following Exhibits:

A. List of State Agents for Service of Process and State Administrators
B. Franchise Agreement and Exhibits
C. Financial Statements
D. Statement of Prospective Franchisee
E. Table of Contents of The Operations Manual
F. General Release of All Claims
G. State-Specific Addenda
H. List of Franchisees and Their Outlets
I. List of Franchisees Who Ceased to do Business under The Franchise Agreement
J. Equipment Package List
K. Initial Inventory List
L. Franchise Data Release Authorization and Confidentiality Agreement
M. Equipment Purchase, Loan and Security Agreement
N. State Effective Dates
O. Receipts

_____
(Signature)

_____ _____
(Print Name) Date

Keep this copy for your records.

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K. Initial Inventory List
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M. Equipment Purchase, Loan and Security Agreement
N. State Effective Dates
O. Receipts

_____
(Signature)

_____ _____
(Print Name) Date

Please sign this copy of the receipt, date your signature, and return it to 301 James Record Road, Suite 250, Huntsville, AL 35824.