

FRANCHISE DISCLOSURE DOCUMENT

CAR-X, LLC
a Delaware limited liability company
1100 E. Woodfield Road, Suite 105
Schaumburg, Illinois 60173
(800) 359-2359
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www.carx.com



The franchised business is a motor vehicle center specializing in the repair and replacement of automotive products and services such as air conditioning, brake systems, maintenance service, muffler and exhaust systems, ride control products, tires, and other automotive products and services that is operated under the Car-X Auto Service and Car-X Tire and Auto brand name. You may purchase a single franchise or an area development franchise.

The total investment necessary to begin operation of a Car-X franchise is from \$315,200 to \$512,000. This includes from \$30,000 to \$35,000 that must be paid to the franchisor or affiliate and an additional \$260,000 to \$395,000 that may be paid to the franchisor or affiliate. If you purchase an area development franchise you must pay an additional area development fee that will be negotiated based on the number of franchises to be developed and the development schedule, but you will only pay an initial franchise fee of \$7,500 for each franchise developed.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Daniel LeGault at 1100 E. Woodfield Road, Suite 105, Schaumburg, Illinois 60173; (800) 359-2359.

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

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

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

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characteristics of the Car-X Center. These factors include, but are not limited to: competition from other auto service centers; appreciation and acceptance of the products and services offered by your franchise in the community in which your franchise is located; your experience; the quality and effectiveness of your managerial skills; and your decisions with respect to location, additional advertising programs, personnel and cost controls; geographic and socioeconomic conditions in you locality; business cycles; and the performance of the local, national and world economy.

5. ~~Substantiation of the data used in preparing the figures in the table~~ Written substantiation for the financial performance representation will be made available to you ~~on reasonable~~ upon request.

SOME FRANCHISEES HAVE SOLD THE AMOUNTS SET FORTH IN CHART ABOVE. YOUR INDIVIDUAL RESULTS MAY DIFFER. THERE IS NO ASSURANCE THAT YOU'LL SELL AS MUCH.

~~**YOUR INDIVIDUAL FINANCIAL RESULTS ARE LIKELY TO DIFFER FROM THE RESULTS STATED ABOVE. THE FIGURES IN THE TABLES SHOULD NOT BE CONSIDERED THE ACTUAL, POTENTIAL OR PROBABLE GROSS SALES THAT WILL BE REALIZED BY ANY OF OUR FRANCHISEES. WE DO NOT PROVIDE ANY GUARANTY OR ASSURANCE THAT ANY FRANCHISEE MAY ATTAIN SUCH GROSS SALES, OR ANY INCOME OR PROFIT THAT COULD BE DERIVED FROM SUCH GROSS SALES OR COGS. IF ANYONE RELIES ON THESE FIGURES, THEY MUST ACCEPT THE RISK OF NOT DOING AS WELL.**~~

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Daniel LeGault, Jr. 1100 East Woodfield Road, Suite 105 Schaumburg, IL 60173 847-273-8926., the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20--OUTLETS AND FRANCHISEE INFORMATION

Information in the following tables is provided as of December 31 of each year.

**Table No. 1
System Wide Outlet Summary
For Years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised/Licensed	2021	95	80	-15
	2022	80	76	-4
	2023	76	50	-26
Company	2021	57	68	11
	2022	68	69	1

EXHIBIT Q

STATE SPECIFIC DISCLOSURES AND STATE SPECIFIC ADDENDA TO AGREEMENTS

ILLINOIS

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR USE IN THE STATE OF ILLINOIS**

The Franchise Disclosure Document is amended for use in the State of Illinois as follows:

Illinois Cover Page and
ITEM 17 -- RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

**ADDENDUM TO CAR-X, LLC FRANCHISE AGREEMENT
FOR USE IN THE STATE OF ILLINOIS**

THIS ADDENDUM is made this _____ day of _____, 20__ and modifies a Franchise Agreement of the same date entered into by CAR-X, LLC, a Delaware limited liability company with its principal office at 1100 E. Woodfield Road, Suite 105, Schaumburg, Illinois 60173 ("Franchisor"), and _____ with its principal office at _____ ("Franchisee").

A. Termination. Subsections 14.3(a) and (f) of the Franchise Agreement are removed from Section 14.3 and are added to Section 14.4 as Subsections (u) and (v).

B. Laws and Jurisdiction. The governing law and jurisdiction provisions of Section 17.1 of the Franchise Agreement are void with respect to franchises subject to Illinois law.

C. Limitations of Claims. The following language is added to the end of Section 17.4 of the Franchise Agreement:

However, nothing in this Section shall shorten any period within which Franchisee may bring a claim under Section 705/27 of the Illinois Franchise Disclosure Act or constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met).

~~D. Representations. The second sentence of the "Acknowledgements of Franchisee" section of the Introduction in the Franchise Agreement is deleted.~~

~~Sections 18.1 and 18.2 of the Franchise Agreement are replaced by the following:~~

~~Franchisee recognizes the uncertainties inherent in all business ventures. Franchisee acknowledges that the prospects for successful operations, the level of business or profits that Franchisee might reasonably expect, the desirability, profitability or expected traffic volume or profit of the Center (whether or not Franchisor assisted Franchisee in the selection of the location of the Center) are necessarily dependent upon variables beyond Franchisor's control, including without limitation, the ability, motivation and amount and quality of effort expended by Franchisee.~~

~~Franchisee must, at the time of execution of the Franchise Agreement, execute the Disclosure Acknowledgment Statement, which is attached to the Franchise Agreement; provided that, the first sentence of Section 3 of the Disclosure Acknowledgment Statement is hereby deleted.~~

No statement, questionnaire or acknowledgement signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the

Franchisor. This provision supersedes any other term of the Franchise Agreement or any documents executed in connection with the Franchise.

D. ~~E.~~ Illinois Franchise Disclosure Act. The Franchise Agreement is amended by adding the following Section as Section 19.10:

19.10 Illinois Franchise Disclosure Act. Section 41 of the Illinois Franchise Disclosure Act states that "Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of Illinois is void."

CAR-X LLC
Franchisor

Franchisee

By: _____

By: _____

Its: _____

Its: _____

**ADDENDUM TO CAR-X, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN THE STATE OF ILLINOIS**

THIS ADDENDUM is made this _____ day of _____, 20__ and modifies an Area Development Agreement of the same date entered into by CAR-X, LLC, a Delaware limited liability company with its principal office at 1100 E. Woodfield Road, Suite 105, Schaumburg, Illinois 60173 ("Franchisor"), and _____ with its principal office at _____ ("Developer").

~~A. Laws and Jurisdiction. The governing law and jurisdiction provisions of Section 13 of the Area Development Agreement are void with respect to franchises subject to Illinois law.~~

A. Illinois law governs this Agreement.

B. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in this Agreement or a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, this Agreement and any Franchise Agreement may provide for arbitration to take place outside of Illinois.

C. Section 19 of the Illinois Franchise Disclosure Act sets for the conditions and notice requirements for termination of a Franchise Agreement.

D. Section 20 of the Illinois Franchise Disclosure Act sets for the conditions of non-renewal of a Franchise Agreement, along with the compensation requirements.

E. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provisions purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

F. No statement, questionnaire or acknowledgement signed or agreed to by Developer in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of this Agreement, any Franchise Agreement, or any documents executed in connection with a franchise.

CAR-X LLC
Franchisor

Developer

By: _____

By: _____

Its: _____

Its: _____

**ADDENDUM TO CAR-X, LLC SUBLEASE LF
FOR USE IN THE STATE OF ILLINOIS**

THIS ADDENDUM is made this _____ day of _____, 20__ and modifies a Sublease of the same date entered into by CAR-X, LLC, a Delaware limited liability company with its principal office at 1100 E. Woodfield Road, Suite 105, Schaumburg, Illinois 60173 ("Sublessor"), and _____ with its principal office at _____ ("Subtenant").

A. Controlling Law; Venue. Section 30 of the Sublease is void with respect to franchises subject to Illinois law.

CAR-X LLC
Franchisor

Subtenant

By: _____

By: _____

Its: _____

Its: _____