FRANCHISE DISCLOSURE DOCUMENT

Best Choice Roofing Franchising, LLC
A Tennessee limited liability company
105 Hazel Path
Hendersonville, TN 37075
615-637-3341
franchising@bestchoiceroofing.com
www.bestchoiceroofing.com

As a Best Choice Roofing franchisee, you will operate a business selling residential and commercial roofing and other property maintenance related services. You will provide these services to both residential and commercial customers, operating under our Marks and System.

The total initial investment necessary to begin operation of a Best Choice Roofing franchise for one territory is $117,410 to $193,010. This includes $63,010 that must be paid to the franchisor or affiliates. The total initial investment necessary to begin operation of two to ten territories is $157,410 to $487,910. This includes $103,010 to $357,910 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 for you. To discuss the availability of disclosures in different formats, contact Don Helphrey, Best Choice Roofing Franchising, LLC at 105 Hazel Path, Hendersonville, TN 37075 and at 615-637-3341.

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.

Issuance date: April 29, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchises. You can find their names and contact information in Item 20 or Exhibit F.
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 D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Best Choice Roofing 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 Best Choice Roofing franchisee?	Item 20 or Exhibit F lists 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 and/or litigation only in Tennessee. 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 Tennessee than in your own state.

2. **Minimum Payments**. You must make minimum royalty or advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

3. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

4. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

5. **Mandatory Minimum Payments**. You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

6. **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.

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.

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

Each of the following provisions is void and unenforceable if contained in any documents relating 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 protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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A. State Administrators and Agents for Service of Process
B. Franchise Agreement
C. Form of General Release
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Receipt (2 copies)

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

In this disclosure document, "we", "us," or "our" refers to Best Choice Roofing Franchising, LLC. "You" means the person to whom we grant a Best Choice Roofing ("BCR") franchise (the "Franchised Business"). If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners.

Our name is Best Choice Roofing Franchising, LLC. We are a Tennessee limited liability company formed on February 4, 2020. We also use the name "Best Choice Roofing." Our principal business address is 105 Hazel Path, Hendersonville, Tennessee 37075. We have offered franchises since December 2021. We do not have any predecessors.

Our affiliate, Best Choice Roofing & Home Improvement, Inc., is a Tennessee corporation formed on January 5, 2010. Best Choice Roofing & Home Improvement, Inc. shares the same principal address as us and is currently the only approved supplier of contract entry services that we require for our franchisees.

Our affiliate, Storm Leads, Inc., is a Tennessee corporation formed on November 16, 2010. Storm Leads, Inc. shares the same principal address as us and is currently the only approved call center vendor for our franchisees.

These affiliates do not currently offer any other products or services to our franchisees, and they have not and do not offer franchises in any line of business.

Agent for Service of Process

Our agents for service of process are disclosed in Exhibit A.

Information About Our Business and the Franchises Offered

We (that is, Best Choice Roofing Franchising, LLC) do not operate businesses of the type being franchised, but our affiliates do. We do not have any other business activities. We have not offered franchises in other lines of business. If you sign a franchise agreement with us, you will develop and operate a business that will be focused on residential and commercial reroofing of properties that have sustained damaged due to wind or a hailstorm (the "Services"). You will lead a sales team and you will be responsible for the installation of the materials and the satisfaction of the customer. We have developed a system that will explain to you how to recruit a sales force, retain the sales force, motivate the sales force, handle production from beginning to end and collect remaining balances from the customers, sometimes after interacting with an Insurance Carrier (the "System"). You will provide these services to both residential and commercial buildings, operating under the Marks and using the System.

We also offer, to qualified franchisees, the opportunity to develop multiple Territories under the same Franchised Business. To be eligible to develop multiple Territories, you must agree to open between a minimum of 2 Territories and a maximum of 10 Territories. If you qualify to develop your Franchised Business within multiple Territories, you will not sign a Multi-Unit

Development Agreement or Area Development Agreement because you will operate one business across multiple Territories covering a total larger geographic area.

You will compete with other national, regional and local residential and commercial roofing and other property maintenance related service businesses, generally in well-developed markets. The residential and commercial roofing industry is well developed and competitive. Your Franchised Business may operate in close proximity to major competitors. Some competitors will offer many goods and services that are the same as or similar to those you offer.

Laws and Regulations

The following laws and regulations may be relevant for your market and you should be aware of these prior to opening the franchised business. In some states, you will have to obtain and maintain a general contractor's license to provide the services under the System. Some states may require a specialty contractor license. While qualifications for such licenses vary from state to state, you may also have to pass a knowledge test and background test and obtain insurance and a bond. There are many federal, state and local regulations specific to the operation of a roofing and construction business. You will also be subject to state and local licensing laws, codes and regulations, particularly as they relate to the operation of a roofing and property maintenance service business. For certain Services, such as roofing, you are subject to federal, state, and local contractor license laws and requirements. There may be other laws applicable to the business, and we urge you to make further inquiries about these laws. The nature and amount of regulation could change rapidly relating to this business. You should consult a lawyer with experience dealing with roofing and contracting issues to be sure you are familiar with the current statutes and regulations that might apply within your territory.

Further, there are statutes and regulations that are applicable to all business, including those governing health and labor, zoning, and safety. You should consult with a local attorney to discuss these general business regulations within your territory.

Item 2
BUSINESS EXPERIENCE

Wayne Holloway, Founder and President

Mr. Holloway has served as our President since our inception in February 2020. He has also been the Owner of Best Choice Roofing & Home Improvement, Inc. in Hendersonville, TN since its formation in January 2010. Mr. Holloway is also a Member of the following six entities that operate Best Choice Roofing businesses: Best Choice Roofing Central Florida, LLC since September 2020, Best Choice Roofing East, LLC since September 2019, Best Choice Roofing Middle Tennessee, LLC since September 2018, Best Choice Roofing West Florida, LLC since July 2018, Best Choice Roofing Tennessee, LLC since November 2016, and Best Choice Roofing Southeast, LLC since February 2016. Mr. Holloway was previously a Member of the following entities that operated Best Choice Roofing businesses: (i) Best Choice Roofing Louisiana, LLC from May 2020 to May 2022, (ii) Best Choice Roofing Jackson, LLC from September 2017 to March 2022, (iii) Best Choice Roofing North, LLC from November 2016 to March 2022, (iv) Best

Choice Roofing DC, LLC from August 2018 to May 2022, and (v) Best Choice Roofing Alabama, LLC from June 2018 to October 2022.

Andrea Morris, Chief Financial Officer

Mrs. Morris has served as the Chief Financial Officer of us and Best Choice Roofing & Home Improvement, Inc. in Hendersonville, TN since December 2023. From August 2022 to December 2023, she served as the Director of Finance for Voltyx in St. Louis, MO. From January 2020 to August 2022, Mrs. Morris was the Head of FP&A at AkzoNobel in Nashville, TN. Prior to that, she served as the Controller of Operations of Champion Pet Foods in Auburn, KY from May 2016 to December 2019.

Donald Helphrey, Vice President of Franchising

Mr. Helphrey has served as our Vice President of Franchising since April 2024. From April 2027 to April 2024, he was the Senior Director of Operations at Big O Tires in Palm Beach Gardens, FL.

Andrew Heath, Director of Franchise Operations

Mr. Heath has served as our Director of Franchise Operations since July 2021. Previously, he was a production supervisor with Cintas Corp in Nashville, TN from September 2015 to July 2021.

Wade Miller, Director of Finance

Mr. Miller has served as our Director of Finance since our inception in February 2020. He has also served as the Director of Finance of Best Choice Roofing & Home Improvement, Inc. in Hendersonville, TN since July 2010.

Marcessa Palmer, Director of Human Resources

Ms. Palmer has served as the Director of Human Resources for Best Choice Roofing & Home Improvement, Inc. in Hendersonville, TN since July 2022. From September 2021 to July 2022, Ms. Palmer was the Principal Owner of Transcend, LLC in Hendersonville, TN. Prior to that, Ms. Palmer served as a Franchising Human Resources Manager for Servpro Industries in Gallatin, TN from July 2014 to September 2021.

John "JR" Ford, Success Manager

Mr. Ford has served as our Success Manager since October 2023. From February 2021 to September 2023, he was a Sales Representative, Sales Manager, and a General Manager for Best Choice Roofing Central Florida in Orlando, FL. Prior to that, he was an Associate at Universal/Margaritaville in Orlando, FL from November 2018 to December 2020.

Item 3
LITIGATION

Best Choice Roofing & Home Improvement, Inc. v. Best Choice Roofing Savannah, LLC & Best Choice Roofing Augusta, LLC, Civil Action No. 3:18-cv-00615 (District Court for the Middle District of Tennessee, filed July 6, 2018) We filed a lawsuit against former licensees of ours for breach of contract, trademark infringement, and unfair competition. The Defendants asserted counterclaims of fraudulent misrepresentation and fraudulent concealment. The Defendants' counterclaims were dismissed and the parties reached a settlement agreement where the Defendants were required to pay a monetary sum to us as well as discontinue use or association with our business and trademarks.

Best Choice Roofing Franchising, LLC v. William Zachary Herron, Herron Family IRRV Trust, and Allstar Sales of NE Arkansas, LLC, Civil Case No. 16JCV-23-816 (Circuit Court of Craighead County, Arkansas, filed May 30, 2023; refiled in Chancery Court of Sumner County, Tennessee as Case No. 24CV-11 on March 19, 2024) On May 30, 2023, we filed a lawsuit against a former franchisee of ours in Craighead County, Arkansas for breach of contract and sought injunctive relief and monetary for violation of the restrictive covenants of the former franchisee's franchise agreement (the "Arkansas Lawsuit"). We settled the Arkansas Lawsuit, and the former franchisee agreed to pay us a monetary settlement over time and adhere to certain restrictive covenants necessary to protect our interests. The Arkansas Lawsuit was voluntarily dismissed without prejudice on July 31, 2023. On March 19, 2024, we filed a lawsuit against this same former franchisee in Sumner County, Tennessee for breaching the settlement agreement from the Arkansas Lawsuit, specifically alleging claims for breach of contract, worthless check, fraudulent inducement/promissory fraud, estoppel, and fraudulent concealment and seeking injunctive relief and monetary damages (the "Tennessee Lawsuit"). The Tennessee Lawsuit is ongoing, and we intend to vigorously pursue our rights against this former franchisee.

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

Item 4
BANKRUPTCY

Our Chief Financial Officer, Andrea Morris, filed a bankruptcy petition under the provisions of Chapter 13 of the U.S. Bankruptcy Code on June 6, 2018. In re Andrea Clarice Morris and Ronald Eugene Morris, No. 3:18-bk-03774 (M.D. Tenn. 2018). On October 5, 2022, Mr. and Mrs. Morris completed the plan. On October 28, 2022, the bankruptcy court entered a discharge of Mr. and Mrs. Morris, and the case was closed on January 17, 2023.

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

Item 5
INITIAL FEES

Initial Franchise Fee

When you sign your franchise agreement, you must pay us $59,500 as the Initial Franchise Fee. This fee is uniformly imposed among our franchisees. The Initial Franchise Fee includes a Territory containing approximately 100,000 single-family homes. You may purchase additional Territories based on the table below. Upon approval by us, you may also purchase additional territories for $0.60 per single-family home.

Number of Territories	Approximate Single-Family Homes in Territory	Initial Franchise Fee	Cumulative Initial Franchise Fee
1	100,000	$59,500	$59,500
2	200,000	$40,000	$99,500
3	300,000	$35,000	$134,500
4	400,000	$30,000	$164,500
5	500,000	$30,000	$194,500
6	600,000	$30,000	$224,500
7	700,000	$30,000	$254,500
8	800,000	$30,000	$284,500
9	900,000	$30,000	$314,500
10	1,000,000	$30,000	$344,500

If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program, that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred, including broker fees and commissions, subject to your signing a general release of our liability. Otherwise, the Initial Franchise Fee is not refundable.

New Hire Kits and Uniforms

You will initially purchase at least ten new hire kits, including uniforms, from us. These are for your sales representatives and will cost between $200 and $500 total.

Call Center Fee

Prior to you opening for business, you will pay us a Call Center Fee of $3,300 per every three Territories you purchase, and Territories in between intervals of three will be rounded up (i.e., 10x Territories will result in a $13,200 Call Center Fee). You will continue to pay us this fee on an annual basis.

101k TV Service

Prior to opening for business, you will pay us $210 for the 101k TV Service, which allows us to stream content to a television display at your Franchised Business. This fee is due to us annually thereafter.

Veterans Discount

We offer a Veteran discount to honorably discharged veterans of the United States armed forces and their spouses. We will discount the Initial Franchise Fee by 10% on the first Territory purchased by those veterans and/or their spouses who have received an honorable discharge from the military. The Initial Franchise Fee is payable at the time a Franchise Agreement is signed. The Initial Franchise Fee is deemed fully earned upon payment and, in consideration of administrative and other expenses we incur in granting this franchise and for our lost or deferred opportunity to franchise others, is non-refundable.

Refunds

Except as stated above, all fees under this Item 5 are uniform, earned when received, and non-refundable under any circumstances.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of Gross Sales[1], subject to weekly minimums.[2] Beginning in the sixth (6th) month after you open for business, there is a minimum weekly Royalty Fee for each territory operating	Within 30 days after each contract is written by (entered into) our Customer Relationship Management platform.	See Notes 1 and 2.
Client Contract Fee	$15 per contract entered into with a client	Weekly, on Monday of each week.	You will pay us $15 per contract entered with a client for your franchised business. This covers our cost of reviewing each contract, and ensuring the work scope is within the approved services.

Type of Fee	Amount	Due Date	Remarks
Brand Fund Contribution	Up to 3% of Gross Sales. Currently none	When assessed, at the same time as the Royalty.	See Note 3.
Market Cooperative Contribution	As determined by co-op. Currently, none. However, once co-op formed, not less than 1% of Gross Sales	As determined by co-op.	We have the right to establish local or regional advertising cooperatives. The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. If our outlets have controlling voting power, there is no maximum on fees that could be imposed.
Additional Initial Training	$1,000 per person	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Third party vendors	Pass-through of costs, plus 10% administrative charge.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, email services, mystery shopping, marketing and print material, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together a reasonable markup or charge for administering the payment program.

Type of Fee	Amount	Due Date	Remarks
Software – Best Choice Roofing Job Nimbus (CRM)	Currently $151 per month, each additional user is $25.00 per month.	Monthly	We require you to use certain software as described in Item 11. You will pay subscription fees directly to us.
Software – QuickBooks/Right Networks	Currently $500.00 per month, $25.00 per user	Monthly	We require you to use this accounting software as described in Item 11. You will pay subscription fees directly to Right Networks.
Software – Guild Quality Survey Questionnaires	Currently $40.00 per month	Monthly	We require you to use this customer survey service. You will pay subscription fees directly to us.
Call Center Fee	$3,300 per year per three (3) Territories	Annually	All website and phone inquiries are routed to our affiliate, Storm Leads, Inc., which manages a call center that will follow up with inbound leads to set appointments for franchisees. You are currently required to utilize our affiliate's call center for inbound leads.
Storm Leads Fee	$90 per appointment set	As appointments are set with leads.	Franchisees may submit contact information to our affiliate, Storm Leads, Inc., for our affiliate's call center to make outbound calls to follow up with. For each appointment that our affiliate sets with a lead you submit to our affiliate, you will pay Storm Leads, Inc. a $90 Storm Leads Fee.

Type of Fee	Amount	Due Date	Remarks
Non-compliance Fee	$1,000 per occurrence $250 per week not cured after 30 days' notice	On demand	We may charge you $1,000 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you $250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	$80 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.

Type of Fee	Amount	Due Date	Remarks
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Breach of territory fee	The greater of (i) $500 or (ii) 75% of the amount paid by the customer outside of your territory.	On demand	If you serve a customer outside of your territory without our prior written permission, we may impose this fee.
Special support fee	Our then-current fee, plus our expenses. Currently, $500 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost plus $1,000	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any month.

Type of Fee	Amount	Due Date	Remarks
Special evaluation fee	Currently $600, plus our out-of-pocket costs	On demand	Payable only if we conduct an in-person evaluation of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	$10,000	When transfer occurs	Payable if you sell all or part of your business. This transfer fee is subject to applicable state law.
Renewal fee	$10,000	Upon renewal of Franchise Agreement	Subject to approval by us and other requirements
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), if you lose and we prevail, you must pay our attorney fees, court costs and other expenses.

Type of Fee	Amount	Due Date	Remarks
National Annual Meeting	Currently $500 per attendee, including boarding. $3,000 fee if no representatives from a franchisee attend.	Annually upon demand	You must send a Principal Executive, your General Manager, all of your sales managers, and anyone we require to attend our National Annual Meeting each year. The cost of attendance shall be adjusted for inflation each year per the consumer price index. You are responsible for all travel and lodging costs and your payroll expenses for employees who attend.
Bootcamp Sales Meetings	Currently $500 per attendee, including boarding. $3,000 fee if no representatives from a franchisee attend.	Semi-Annually	You must send a Principal Executive, your General Manager, all of your sales managers, and anyone we require to attend our semi-annual Bootcamp Sales Meetings each year. The cost of attendance shall be adjusted for inflation each year per the consumer price index. You are responsible for all travel and lodging costs and your payroll expenses for employees who attend.
Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your Best Choice Roofing franchise to a third-party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges in addition to paying us the Transfer Fee.
Quarterly Quality Assurance Inspection	Our actual cost to complete the inspection plus $1,000	On demand	We may inspect your franchise on a quarterly basis and may assess this inspection fee if you fail to meet the System Standards.
Owens Corning Annual Membership	$2,500 Annually	Due upon receipt of bill	See Note 4.

Type of Fee	Amount	Due Date	Remarks
101K TV Service Fee	Then-current fee. Currently $210 per year.	Annually on demand.	Prior to opening for business, you will pay us $210 for the 101k TV Service, which allows us to stream content to a television display at your Franchised Business. This fee is due to us annually thereafter.
Leads Program Fees	Reimbursement of our Affiliate's costs for marketing collateral (approximately $3,000), software expenses (approximately $1,500), and property protection system (approximately $5,000). At least $5,000 per month for digital advertising.	As arranged	We offer established franchisees the opportunity to receive leads from our Affiliate, Best Choice Roofing & Home Improvement, LLC. To participate in this program, Franchisees must enter into a Leads Program Agreement and purchase marketing collateral, software, a property protection system, and a wrapped vehicle (2023 Chevrolet Silverado 1500 WT with a ladder rack and bedliner, our design wrap, and our specified wheels). Thereafter, participating franchisees must pay us, our Affiliate, or our designated supplier at least $5,000 per month on digital advertising, and they must meet certain performance requirements. Our franchisees have the ability to enter into a 60-day trial period of the Leads Program that does not require them to purchase these items and the vehicle, and the trial does not include performance requirements.

All fees are payable only to us, including the software subscription charges, unless we designate otherwise. All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. "Gross Sales" is defined in your franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

2. Beginning in the sixth month after you open your Franchised Business, there is a Minimum Weekly Royalty Fee of $300 per week per 100,000 single-family homes in your Territory or cumulative Territories and is prorated for single-family homes between the levels described above in Item 5 of this Disclosure Document. The formula for calculating your Minimum Weekly Royalty Fee is:

$$Minimum\ Weekly\ Royalty\ Fee = \$300 \times \frac{\#\ of\ Single - Family\ Homes\ in\ your\ Territory(ies)}{100{,}000}$$

3. We reserve the right to require you to pay us an ongoing Brand Fund Contribution of up to 3% of your Gross Sales in the same manner and at the same time as your Royalty Fee.

4. We have an agreement with Owens Corning by which our franchisees are eligible for the Platinum Preferred Contractor Status immediately upon launching their franchised business, with the 2 years of business requirement being waived. As a Platinum Preferred Contractor, you will receive a 1% rebate on Owens Corning's products that are purchased by your franchise. To be eligible for the status, you must complete a Platinum Preferred application and have $1 million in GL insurance. To continue being eligible for the Platinum Preferred Contractor status, you must achieve certain criteria set by Owens Corning. You are required to continue to be a Platinum Preferred member during the Term of the Franchise Agreement. All fees are paid directly to Owens Corning, the first annual payment of $2,500.00 must be made prior to opening your franchise for business.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – ONE TERRITORY

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee[1]	$59,500 - $59,500	Check or wire transfer	Upon signing the franchise agreement	Us

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Travel & Living Expenses While Attending Initial Training	$5,000 - $10,000	As arranged	As incurred or when billed	Vendors, Airlines, Hotels, Car Rental Companies, etc.
Rent & Security Deposit (3 Months)[2]	$3,000 - $7,000	As arranged	As incurred	Landlord
Leasehold Improvements[3]	$0 - $15,000	As arranged	As arranged	Landlord, Lender, or Contractors
Equipment[4]	$0 - $1,000	As arranged	As arranged	Vendors
Furniture, Office Equipment & Software	$3,500 - $9,000	As arranged	As arranged	Vendors
Vehicle[5]	$0 - $12,500	As arranged	As incurred	Lender or Vendors
Signs	$500 - $1,000	As arranged	As incurred	Vendors
Licenses	$200 - $3,000	As arranged	As incurred or when billed	Government
Grand Opening Marketing[6]	$5,000 - $10,000	As arranged	As incurred	Vendors
Insurance	$2,500 - $3,500	As arranged	As incurred	Insurance Companies
Owens Corning Membership[7]	$2,500 - $2,500	As arranged	Annually	Owens Corning
Professional Fees (Legal and Accounting)	$1,000 - $3,000	As arranged	As incurred	Your Attorney or Accountant
Initial Marketing Materials[8]	$11,000 - $11,000	As arranged	Prior to opening	Vendors
New Hire Kits and Uniforms[9]	$200 - $500	As arranged	Prior to opening	Vendors
Call Center Fee[10]	$3,300 - $3,300	As arranged	Prior to opening	Us
101K TV Fee	$210 - $210	As arranged	Prior to opening	Us
Additional funds (for first 3 months)[11]	$20,000 - $50,000	As arranged	Varies	Employees, suppliers
Total	$117,410 - $193,010			

Neither we nor our affiliates will offer financing for any part of the initial investment.

Notes

1. If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program, that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred, including broker fees and commissions, subject to your signing a general release of our liability. Otherwise, all fees paid to us our affiliates are non-refundable.

2. You must obtain and maintain a business office that meets our requirements. If you already lease or own premises, you should review your lease or purchase documents to evaluate the cost of real estate rental. If not, lease terms will vary in rental amounts, lease terms, amount of space required, tenant improvements required, security deposit and advance rental required. Location is a major factor in the amount of rent required. These estimates may not cover advance rental deposits, insurance and similar expenses. You may elect to own your own Premises, in which case it is not possible for us to estimate the cost because of the wide variations in price and financing options. If you rent real estate for the premises, you may be liable for the entire term of the lease whether or not you succeed in the Franchised Business. The cost could be higher if you or your landlord request changes from the standard design and materials.

3. If you already lease or own premises, you should review your lease or purchase documents to evaluate the cost of real estate leasehold improvements. If not, lease situations will vary in rental amounts, lease terms, amount of space required, and tenant improvements required. Size, configuration and landlord requirements will be major factors in cost. Some landlords finance leasehold improvements by amortizing them over the lease term and charging a higher rental amount to cover the cost. You should attempt to determine your costs and financing options before deciding on premises.

4. The cost of equipment could vary widely depending primarily upon your circumstances. Some new franchisees will have existing businesses and will already have some of the equipment they will need. This may or may not be your situation. However, even if you have an existing Best Choice Roofing Franchise business that is fully equipped, you may need additional or different equipment if you are expanding your operations or to comply with our standards. The initial equipment consists of ladders, harnesses, cougar paws, and other light equipment that your sales employees will need.

5. You are not required to purchase a vehicle, but you are allowed to purchase or otherwise utilize a vehicle in the operation of your franchise. If you do utilize a vehicle, you may, but are not required to, wrap it in our proprietary marks. Our low-end estimate assumes you lease the vehicle with no down payment. If you choose to lease or finance a vehicle, your cost will be determined by your credit worthiness and the options you select.

6. You must spend at least $5,000 on grand opening marketing for your franchise. This amount must be paid to our preferred online marketing vendor and must be spent between the four weeks preceding your opening date and the two weeks following your opening date.

7. Owens Corning Annual Membership fee. We have an agreement with Owens Corning of which our franchisees are eligible for the Platinum Preferred Contractor Status immediately upon launching their franchised business, with the 2 years of business requirement being waived. As a Platinum Preferred Contractor, franchisees are given a 1% rebate on Owens Corning's products that are purchased by your franchise. To be eligible for the status, the Franchisee must complete a Platinum Preferred application and have $1 million in GL insurance. To continue being eligible for the Platinum Preferred Contractor status, franchisees must achieve certain criteria set by Owens Corning. You are required to continue to be Platinum Preferred member during the Term of this Agreement. All fees are paid directly to Owens Corning, the first payment of $2,500.00 must be made prior to opening of your Franchise.

8. The Initial Marketing Materials include TVs, apparel, diagrams, and door hangers among other marketing pieces and may vary depending on the season in which you purchase your franchise. You must purchase the Initial Marketing Materials from Dope Marketing.

9. You will initially purchase at least ten new hire kits, including uniforms, from our approved supplier. These are for your sales representatives.

10. The Call Center Fee is paid to us for our affiliate's call center services. The Call Center Fee is $3,300 per every three Territories that you purchase. This estimate is for one Territory. See the Multiple Territories chart, below, for more information regarding the Call Center Fee for multiple Territories.

11. These estimates are for your initial start-up expenses. We recommend having significant cash reserves to cover the cost of ordering roofing materials from suppliers while awaiting full payment from customers. This estimate includes payroll costs and various service costs such as utilities. These estimates do not include owner compensation or return on investment. We have based the estimates in this table on our experience of opening 31 corporate locations.

YOUR ESTIMATED INITIAL INVESTMENT – MULTIPLE TERRITORIES

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Cumulative Initial Franchise Fee	$99,500 - $344,500 (2 - 10 Territories)	Check or wire transfer	Upon signing the Franchise Agreement	Us
Initial Investment to Open Initial Business[1]	$57,910 – $133,510	See Preceding Chart for Single Territory Investment		

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Additional Call Center Fee[2]	$0 - $9,900 (2 Territories) (10 Territories)	Check or wire transfer	Prior to opening	Us
Total	$157,410 – $487,910			

Neither we nor our affiliates will offer financing for any part of the initial investment.

Note

1. Please refer to the table for the Estimated Initial Investment for a Single Territory for expenses associated with opening the initial Best Choice Roofing business for one Territory under a Franchise Agreement. This amount does not include the Initial Franchise Fee for one Territory, which is included within the Cumulative Initial Franchise Fee amounts in the row above.

2. The low-end of this estimate is $0 because the first three Territories are covered by the $3,300 Call Center Fee under the Initial Investment to Open Initial Business. You will pay an additional $3,300 Call Center Fee for 4-6 Territories. You will pay an additional $6,600 Call Center Fee for 7-9 Territories. If you purchase ten Territories, you will pay an additional Call Center Fee of $9,900, which, together with the Call Center Fee for 1-3 Territories, results in a total Call Center Fee of $13,200.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business either (1) from us, our designee or suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes (i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and (iii) Workers Compensation coverage as required by state law, but no less than $1,000,000 per occurrence and

$2,000,000 in the aggregate. Your insurance policies must add us and our affiliates as additional insured.

B. Other Purchases by Specification. You must initially purchase from our designated vendor, Dope Marketing,an initial marketing package consisting of certain marketing materials you will use in your Franchised Business. We and our affiliate, Best Choice Roofing & Home Improvement, Inc. are currently the only approved vendors for the initial equipment package. Our affiliate, Storm Leads, Inc., is currently the only approved call center vendor. We or our designated vendor(s) will make a wholesale profit consistent with industry standards. Our owner, Wayne Holloway, owns an interest in both Best Choice Roofing & Home Improvement, Inc. and Storm Leads, Inc. and will derive revenue from required franchisee purchases through his ownership in those affiliates of ours.

In addition to the Insurance requirements and the items described above, you must purchase and use the following supplies and services from our approved suppliers listed here, which we reserve the right to change from time to time:

- GAF: Roof Shingles
- Owens Corning: Roof Shingles
- Roofer Marketers: Online Marketing
- Dope Marketing: Brand Awareness Marketing
- Cruisin Sports: Branded Apparel

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will strive to provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. If we do not approve of an alternative supplier within 30 days of receipt of your request, the requested alternative supplier is deemed not approved. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We and our affiliates will derive revenue from the required purchases and leases by franchisees. During the previous fiscal year ended December 31, 2023, our affiliate, Best Choice Roofing & Home Improvement, LLC, received approximately $90,611 from required purchases of 101K TV fees, client contract fees, and retail agreement (Leads Program) fees made by franchisees. During the previous fiscal year ended December 31, 2023, our affiliate, Storm Leads, Inc., received approximately $16,500 from required call center fees from our franchisees. Because of common industry practices, we expect to receive rebates, discounts and allowances from some vendors with whom you do business. We expect the amount and availability of discounts to vary from time to time based upon factors outside our control. Best Choice Roofing & Home Improvement, LLC will receive rebates from Owens Corning, our designated supplier for roofing material, as well as from ABC Supply, Beacon Supply, Superior Distribution, and Lomanco Products, based on required franchisee purchases. During the previous fiscal year ending December 31, 2023, our affiliate, Best Choice Roofing & Home Improvement, Inc., received $176,870.04 in rebates from Owens Corning. This amount does not include a portion of the rebates from Owens Corning that is paid directly to our franchisees based on their purchases of roofing products from Owens Corning.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 90% to 100% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases to operate your business are 90% to 100% of your total purchases and leases to operate your business.

Payments by Designated Suppliers to Us

You must purchase all payroll services through our approved vendor, ADP. ADP pays us a 10% rebate during the first year of service with each franchisee. You must purchase ventilation products from our approved supplier, Lomanco Products. Lomanco Products pays us a rebate on all ridge vents purchased by our franchisees ranging from 2.5% to 5%. You will purchase the Initial Marketing Materials from our designated supplier, Dope Marketing. Dope Marketing pays us a rebate of 5% on all purchases we make on behalf of our franchisees, which covers our administrative cost related to the branding of certain merchandise and shipping it from the manufacturer to our franchisees. You will engage our designated supplier, Roofer Marketers, for strategy development, brand messaging, and search engine optimization campaigns among other marketing efforts. Roofer Marketers will pay us a rebate equal to 5% of the amount our franchisees spend on these services.

Other than as stated above, we do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We have negotiated purchase arrangements with suppliers, including price terms, for the benefit of franchisees. Some of the benefits we have negotiated may include rebates, discounts, or other incentives.

Benefits Provided to You For Purchases

We, ourselves, do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers. However, as stated above, we have negotiated such benefits with certain suppliers.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 6.1	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.7, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15

Obligation	Section in Franchise Agreement	Disclosure document item
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

Item 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

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

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We do not assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises. However, we will either approve of or deny your site within 10 business days following our receipt from you of a copy of the proposed lease or sub-lease and such other information about the proposed premises as we may require. If we have not notified you within 10 business days following receipt of the required information, approval of your site shall be deemed not approved. We consider the following factors in approving your site: demographics of the surrounding area; the type of nearby development; zoning; physical characteristics of the proposed site; the status of nearby competition; the economics of the proposed site; and access issues. We typically do not own premises that are leased to franchisees. If you do not submit a proposed site for our review within 45 days of signing the Franchise Agreement, we may terminate your Franchise Agreement. If you do not enter into a lease for a site, subject to our approval, within 180 days of signing the Franchise Agreement, we may terminate your Franchise Agreement with no refund to you. (Section 5.4)

B. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and

our initial training program described below. All hiring decisions and conditions of employment are your sole responsibility.

C. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. We will not deliver or install these items for you.

D. *Manual*. We will give you access to our Manual (Section 5.1). See Exhibit E for the table of contents of our Manual as of the date of this disclosure document. There are currently 209 pages in the Manual.

E. *Initial Training Program.* We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

F. *Market Introduction Plan*. We will advise you regarding the planning and execution of your Market Introduction Plan. (Section 5.4).

Length of Time To Open

The typical length of time between signing the franchise agreement and the opening of your business is 90 to 120 days. Factors that may affect the time period include obtaining licenses, equipment availability, shipping delays, custom orders, your ability to obtain financing, obtain business permits and licenses, schedule initial training, take delivery of required equipment, and hire employees. You must open for business within six months from signing the Franchise Agreement.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers*. Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $500 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5).

C. *Establishing prices*. We may establish minimum and maximum prices for products and services. (Section 5.5). We have the right to determine prices charged by our franchisees for goods and services (but only to the extent permitted by applicable law).

D. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our required providers and procedures for administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

E. *Brand Fund*. We will administer the Brand Fund. (Section 5.5).

F. *Website*. We will maintain a website for the Best Choice Roofing brand, which will include your business location and the local telephone number that we establish for you. You will be prohibited from creating any websites for the promotion of your franchised business. (Section 5.5)

Advertising

(i) *Our obligation*. We will use the Brand Fund only for marketing and related purposes and costs. Media coverage is primarily local. The marketing is in-house and we use internal marketing employees and national outside vendors and consultants to produce advertising, and we may use Brand Fund funds for these purposes. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which will be paid for by the Brand Fund). We have no other obligation to conduct advertising.

(ii) *Your own advertising material*. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

(iii) *Grand Opening Marketing*. You must spend at least $5,000 on Grand Opening Marketing to advertise the opening of your franchised business. This amount must be spent between the four weeks before and the two weeks after your opening date. (Section 9.7).

(iii) *Advertising council*. We have not created an advertising counsel, but we reserve the right to create one comprised of franchisees and our employees.

(iv) *Local or Regional Advertising Cooperatives.* We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. If our outlets have controlling voting power, there is no maximum on fees that could be imposed. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not

currently available for you to review. Cooperatives will prepare annual financial statements which will be available for review only by us and by the members of cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

(v) *Brand Fund Contributions*. We reserve the right to require you and all other franchisees to contribute to our Brand Fund. We currently do not collect Brand Fund contributions, but we reserve the right to collect up to 3% of your gross sales on an ongoing basis at the same time that you pay the Royalty. All franchisees contribute the same percentage. Outlets that we own are not obligated to contribute to the Brand Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request. (Section 9.3).

In our fiscal year ending December 31, 2023, we did not expend any money from Brand Fund contributions. If not all funds are spent in the fiscal year in which they accrue, the money will remain in the Brand Fund to be spent in the next year. No money from the Brand Fund is spent principally to solicit new franchise sales.

(vi) *Market Introduction Plan.* You must develop a Market Introduction Plan and obtain our approval of the plan at least 30 days before the projected opening date of your business. (Section 9.5).

Computer Systems

We require you to purchase and use computer systems and software as follows:

- QuickBooks Enterprise, hosted by Right Networks
- Best Choice Roofing Job Nimbus CRM
- Natural Forms
- GroupMe
- Email services (provided by us)
- Computer(s)
- Smart Phone(s)
- Best Choice Roofing Proprietary Software

These systems provide management tools, operational systems, logistics and business systems needed to operate the franchised business. These systems will generate or store data such as marketing, financial, customer and order data. The Best Choice Roofing Proprietary Software costs approximately $151 per month and $25 per additional user, and is separate from the cost of the actual device that the software is run on.

We will have direct access to your CRM and to QuickBooks for contract entry and financial inspections. You must provide Best Choice Roofing Job Nimbus CRM for all employees, and your sales representatives must have Best Choice Roofing Job Nimbus CRM access no later than ten days after their employment by you. We own your CRM and will set up your account and approve users. Your QuickBooks account will need to be hosted by our required vendor, Right Networks, at your cost. You will grant us full administrative access to QuickBooks.

We estimate that these systems will cost between $250 and $500 to purchase/subscribe. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you to enter into any such contract with a third party. However, we may do so in the future. You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation. We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be $100 to $300.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
New Hire Sales Training Day 1	4	3	Hendersonville, TN
New Hire Sales Training Day 2	4	3	Hendersonville, TN
How to Conduct a Sales Meeting	0	2	Hendersonville, TN
Contingency Training	1	0	Hendersonville, TN
JobNimbus Training 1	1	0	Hendersonville, TN
How to Conduct an Adjuster Meeting	0	2	Hendersonville, TN
Super Saturday Training	0	8	Hendersonville, TN
Team Meeting Training	0	3	Hendersonville, TN
Approval Process Training	4	0	Hendersonville, TN
Contract Packet Training	4	0	Hendersonville, TN
Invoice Training	1	0	Hendersonville, TN
QuickBooks Training 1	4	0	Hendersonville, TN
Production Training	2	0	Hendersonville, TN
JobNimbus Training 2	1	0	Hendersonville, TN
QuickBooks Training 2	2	0	Hendersonville, TN

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Accounts Receivable Training	3	0	Hendersonville, TN
Collections Training	3	0	Hendersonville, TN
Cashflow Training	4	0	Hendersonville, TN
Testing	2	0	Hendersonville, TN
Franchisee Q&A	2	0	Hendersonville, TN
Building a Team	6	0	Hendersonville, TN
Motivating Your Branch	2	0	Hendersonville, TN
TOTALS:	50 Hours	21 Hours	

Training classes will be scheduled in accordance with the needs of new franchisees and may include remote/virtual training as well as in-person training. We anticipate holding in-person training classes every other month. Training will be held at our offices and business location(s) in Tennessee, or we may hold training, at our discretion, at your location or the location of another franchisee.

The instructional materials consist of the Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Training classes will be overseen by Don Helphrey and led by members of our franchise support staff, including your assigned business coach, who have at least 1 year of experience in the roofing industry. Mr. Helphrey's experience is described in Item 2 of this Disclosure Document, and he has 17 years of experience in the subjects taught.

There is no fee for up to 3 people to attend training. You must pay the travel and living expenses of people attending training. You must attend training. You may send any additional persons to training that you want (up to the maximum described above). If you wish to send more than 3 people to initial training, you must pay us $1,000 per person. You must complete training to our satisfaction before opening your business. We currently require your principal executive, your general manager, your sales managers and anyone in your business with decision-making authority to attend two additional semi-annual sales training "Bootcamps." You will pay us our then-current attendance fee per person to attend the Bootcamps. Currently, the attendance fee is $500 per attendee, which includes boarding. You will pay us a $3,000 fee if your Principal Executive fails to attend without our prior written permission. We do not currently require other additional training programs or refresher courses, but we have the right to do so.

Item 12
TERRITORY

Grant of Territory

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. The territory will include a defined area that will be approved by us and will be documented as a territory of consisting of approximately 100,000 single-family homes. As described in Item 5, you may purchase additional areas within your territory for $0.60 per single-family homes, or you may purchase additional entire territories.

The number of single-family homes within your territory shall be determined by our mapping software, GbBis, which pulls population and other data from various sources, including the most current United States Census data.

Relocation; Establishment of Additional Outlets

You may relocate your business headquarters anywhere in your territory. You do not have the right to establish additional franchised outlets or expand into additional territories. If you desire to do so, you must (1) pay us additional franchise fees, (2) be in compliance with your Franchise Agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-territory franchise successfully, and (4) obtain our approval. You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Protected Territory

We grant you a protected territory. You do not receive an exclusive territory. In your territory, we will not establish a Best Choice Roofing outlet, nor license or franchise another party to establish a Best Choice Roofing outlet. Continuation of your territorial rights does not depend on any contingency. There are no circumstances that permit us to modify your territorial rights.

Restrictions on Us From Soliciting or Accepting Orders In Your Territory

Except as described in this paragraph, we will not serve customers in your territory, nor authorize another party to serve customers in your territory, under our Best Choice Roofing brand. However, we may serve (or authorize other franchisees to serve) customers in your territory if you are in default, or if you are incapable of meeting customer demand in your territory. We may also serve (or authorize another franchisee to serve) a particular customer in your territory if you fail to properly serve such customer, or if we reasonably believe that you will not properly serve such customer. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory (i) using our principal trademarks, but only for sales of products or services different from the ones you will offer, and (ii) using trademarks different from the ones you will use. In the circumstances where the franchise agreement does not prohibit us from soliciting or accepting orders from inside your territory, we do not pay any compensation to you.

Soliciting by You Outside Your Territory

You cannot solicit or market to potential customers outside of your territory without our prior written permission. You cannot provide services outside of your territory without our prior written permission. If 10% or more of your Gross Sales are derived from providing services outside of your territory, we may, in our sole discretion, require you to purchase one or more additional territories. We may withdraw permission at any time. You do not have any right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing to make sales outside of your territory. If you provide services at any location outside of your Territory without our prior written permission, we may impose a fee equal to the greater of (i) $500 or (ii) 75% of the amount paid by such customer to you. This fee is a reasonable estimate of our internal cost of personnel time attributable to addressing your breach of the applicable section of the Franchise Agreement, and it is not a penalty or estimate of all damages arising from such breach. This fee is in addition to all of our other rights and remedies.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the Franchise Agreement does not prohibit us from doing so.

Item 13
TRADEMARKS

The following is the principal trademark that we license to you. This trademark is owned by our Affiliate, Best Choice Roofing & Home Improvement, Inc., which has licensed it to us pursuant to the terms below. The below trademark is registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration Date	Registration Number
BCR Best Choice Roofing You Chose the Best!	July 17, 2012	Reg. No. 4175360

All affidavits required so far have been filed for the trademark and the registration has been renewed. We do not know of any prior rights or infringing uses that could materially affect our franchisees' use of the trademarks.

Our Affiliate has also filed a trademark application for the following mark on the Principal Register of the United States Patent and Trademark Office:

Trademark	Filing Date	Serial Number
BEST CHOICE ROOFING	May 2, 2023	Serial No. 97916923

Litigation

There are no presently active determinations of the Patent Office, the Trademark Administrator of any state or any court, any pending interference, opposition or cancellation proceeding or any pending material litigation involving the Marks that is relevant to Your ability to use the Marks in connection with the Franchised Business.

Agreements

There are no currently effective agreements that significantly limit our rights to use or license the use of trademark listed above in a manner material to the franchise.

Our affiliate, Best Choice Roofing & Home Improvement, Inc., owns the trademarks described in this Item. Under an Intercompany License Agreement between us and Best Choice Roofing & Home Improvement, Inc., we have been granted the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement is of perpetual duration. It may be modified only by mutual consent of the parties. It may be canceled by our affiliate only if (1) we materially misuse the trademarks and fail to correct the misuse, or (2) we discontinue commercial use of the trademarks for a continuous period of more than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The Franchise Agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademark in accordance with the Franchise Agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the Franchise Agreement, we may require you to modify or discontinue using a trademark, at your expense.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents are material to the franchise. We do not have any pending patent applications that are material to the franchise.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, technical designs, equipment designs, layouts, operating procedures, proprietary techniques for sales and recruiting, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements and non-compete agreements, pursuant to local law.

Protection of Rights

We protect your right to use any patents listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the patents or copyrights, to the extent described in this section.

The Franchise Agreement obligates you to notify us of the use of, or claims of rights to, a patent or copyright identical to or confusingly similar to a patent or copyright licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a patent or copyright licensed by us to you.

If you use our patents or copyrights in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the patent, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the Franchise Agreement, we may require you to modify or discontinue using a patent or copyright, at your expense.

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

Your Participation

You are required to participate personally in the supervision of your business.

If you are the sole owner of the business, then you are deemed the "Principal Executive". If the business is owned through a corporation or limited liability company, you must designate one person as your "Principal Executive." The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must own at least 10% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive must attend all required meetings, including the Bootcamp Sales meetings and National Annual Meeting.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 2 to Exhibit B). Spouses of each owner that do not have any ownership interest in your entity will not be required to sign the Guaranty and Non-Compete Agreement.

"On-Premises" Supervision

When your business performs services for a customer, you are not required to personally conduct "on-premises" supervision of your business. You may hire a Production Manager who will oversee your roofing installation subcontractors and be responsible for customer service. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you to place any other restrictions on your manager.

Restrictions on Disposition of Franchise Equipment

Franchisees may not sell, sublease, scrap, donate, barter, or otherwise dispose of any franchise equipment without express consent from us. We require first rights to repossess any equipment used in the operation of a franchise, including but not limited to vehicles, parts, inventory, tools, and communications devices.

We will compensate the franchisee and/or any lien holders for the repossession of franchise equipment. Compensation may be reduced by outstanding amounts you owe us.

We have full discretion and rights as it applies to repossessing any of your equipment. Our rights do not release you from any liens, leases, or financing agreements. We do not co-sign for any of your equipment, and will not assume liabilities in the event of failure to make payment.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved. You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes. We do not restrict your access to customers, except that all sales must be made to customers in your territory. All sales must be made through our CRM, including issuing invoices and receipts. You may not collect cash from or otherwise charge customers outside of our CRM.

You will be required to perform all Warranty Work for products installed during the term of the Franchise Agreement by Franchisee during and after the term of the Franchise Agreement. The Franchise Agreement defines "Warranty Work" all labor relating to repairing or replacing a

product installed by you pursuant to such product's warranty issued by you or the required vendor of such product.

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	F.A. § 3.1	10 years from date of franchise agreement.
b. Renewal or extension of the term	F.A. § 3.2	You may obtain a successor franchise agreement for up to two additional 5-year terms.
c. Requirements for franchisee to renew or extend	F.A. § 3.2	For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance; conform your business to then-current standards for new franchisees; sign then-current form of franchise agreement; sign general release (unless prohibited by applicable law) and pay a $10,000 renewal fee.
d. Termination by franchisee	F.A.§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you. (subject to applicable state law)
e. Termination by franchisor without cause	F.A. Not Applicable	We may not terminate your franchise agreement without cause.

Provision	Section in franchise or other agreement	Summary
f. Termination by franchisor with cause	F.A. § 14.2	We may terminate your franchise agreement for cause, subject to any applicable notice and cure opportunity.
g. "Cause" defined--curable defaults	F.A. § 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. "Cause" defined--non-curable defaults	F.A. § 14.2	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our audit or evaluation; cease operations for more than 15 consecutive days; two defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured; engaging in conduct that is offensive, inappropriate, or disrespectful toward us, our affiliates, and our representatives.
i. Franchisee's obligations on termination/non-renewal	F.A. §§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	F.A. § 15.1	Unlimited

Provision	Section in franchise or other agreement	Summary
k. "Transfer" by franchisee - defined	F.A. Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	F.A. § 15.2	No transfers without our approval, which we will not unreasonably withhold.
m. Conditions for franchisor's approval of transfer	F.A. § 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and guaranty; you've made all payments to us and are in compliance with the franchise agreement; buyer completes training program; you sign a general release; business complies with then-current system specifications. If we approve of a transfer to your spouse, child or sibling, there will be no transfer fee. If you transfer your franchise rights to your spouse, child or sibling, they must sign a personal guaranty.
n. Franchisor's right of first refusal to acquire franchisee's business	F.A. § 15.5	If you want to transfer your business (other than to your spouse, sibling, or child), we have a right of first refusal.

Provision	Section in franchise or other agreement	Summary
o. Franchisor's option to purchase franchisee's business	F.A. Not Applicable	When the FA expires or is terminated, Franchisor will have the right (but not the obligation) to purchase any or all of the assets related to the business at fair market value. To exercise this option, Franchisor must notify Franchisee no later than 30 days after the FA expires or is terminated. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Franchisor's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts which Franchisor paid or will pay to third parties to satisfy indebtedness owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.
p. Death or disability of franchisee	F.A. §§ 2.4, 15.4	If you die or become incapacitated, a new principal operator acceptable to us must be designated to operate the business, and your executor must transfer the business to a third party within nine months. This is subject to our step-in rights.

Provision	Section in franchise or other agreement	Summary
q. Non-competition covenants during the term of the franchise	F.A. § 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor. (subject to applicable state law)
r. Non-competition covenants after the franchise is terminated or expires	F.A. § 13.2	For two years, no ownership of, or employment by, a competitor operating in your former territory or the territory of any other Best Choice Roofing business operating on the date of termination. (subject to applicable state law)
s. Modification of the agreement	F.A. § 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	F.A. § 18.3	Only the terms of the franchise agreement are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	F.A. § 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	F.A. §§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Hendersonville, Tennessee) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	F.A. § 18.8	Tennessee law will govern (subject to applicable state law).

Item 18
PUBLIC FIGURES

We do not use any public figure to promote our 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.

Each of our corporate-owned locations is wholly owned and operated by our affiliate, Best Choice Roofing & Home Improvement, Inc. Our corporate-owned locations do not operate within any territorial boundaries and share services among each other. Due to these material differences between the operation of our corporate-owned locations and the franchise offered under this Disclosure Document, we have not included any location-specific financial performance representations from our corporate-owned locations within this Item 19. We have included a general, system-wide revenue representation in Chart 7, which includes the total Gross Revenue from all of our corporate-owned locations.

We have included historical financial performance representations from certain affiliate-owned businesses ("Affiliate Outlets") that operate Best Choice Roofing businesses similar to the franchise offered under this Disclosure Document. Each of our Affiliate Outlets is owned by Wayne Holloway and one or more partners through the affiliate entities listed in Item 1 of this Disclosure Document. Our Affiliate Outlets operate within territories of different sizes. Our Affiliate Outlets operate one or more locations (each an "Affiliate Location") as separate businesses, which are also operated within territories of different sizes. Each Affiliate Location is granted the right to operate a Best Choice Roofing business within a fifty-mile radius from a specific location (its "Base Location"). However, each Affiliate Location derives revenue from providing services within a smaller geographic area that is similar to the territories offered to Best Choice Roofing franchisees under this Disclosure Document. In Chart 1, the approximate number of single-family homes within each Affiliate Location's territory represents the approximate number of single-family homes in the geographic area in which each Affiliate Location derives revenue from providing services. The Affiliate Locations derive revenue from areas similar in size to the different numbers of Territories described in Item 5 and Item 12 of this Disclosure Document.

Due to differences across the country in the number of single-family households within any given area, we anticipate that our franchisees will operate in Territories that are both larger and smaller than our Affiliate Location's territories depending on the number of Territories our franchisees purchase and the number of single-family homes within the territories they purchase. The Affiliate Locations have all been open and operating for certain periods of time, and the years in which they began operation are disclosed in the table below. Otherwise, there are no material differences between their operation and the franchise offered under this Disclosure Document. The Affiliate Locations do not pay Royalty Fees or Brand Fund Contributions to us and do not incur certain fees associated with operating a Best Choice Roofing franchise as disclosed in Item 6 of this Disclosure Document. The fees that our Affiliate Locations do not incur that our franchisees will incur are described in the notes below Chart 3. Other than these fees that our Affiliate Locations do not incur, there are no material financial differences between our Affiliate Locations as the franchise offered under this Disclosure Document.

We had twenty-six (26) Affiliate Outlets open as of December 31, 2023. There were nine (9) Affiliate Outlets operating across twenty (20) Affiliate Locations as of December 31, 2023. Seven (7) additional Affiliate Locations opened during the 2023 Calendar Year, but we have excluded these Affiliate Locations in Charts 1, 2, 3, 4, and 5 because they were not operated for an entire year as of December 31, 2023. There were twenty (20) Best Choice Roofing franchises open as of December 31, 2023. There were four (4) Best Choice Roofing franchisees open as of December 31, 2022 that operated for the entire 2023 Calendar Year (January 1, 2023 to December 31, 2023) (the "Franchised Locations"). We have excluded the remaining sixteen (16) Best Choice Roofing franchises from this Item 19 because they were not operated for an entire year as of December 31, 2023.

Chart 1 – Overview of Franchise Locations and Affiliate Locations Open and Operated for an Entire Year as of December 31, 2023

Franchise/Affiliate Location	Year Opened	Description and Territory Size
Affiliate Location 1	2016	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 462,919 single-family homes.
Affiliate Location 2	2016	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 101,383 single-family homes.
Affiliate Location 3	2016	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 494,059 single-family homes.
Affiliate Location 4	2018	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 292,423 single-family homes.
Affiliate Location 5	2018	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 156,705 single-family homes.
Affiliate Location 6	2018	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 118,258 single-family homes.
Affiliate Location 7	2018	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 311,538 single-family homes.
Affiliate Location 8	2020	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 206,660 single-family homes.
Affiliate Location 9	2020	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 186,080 single-family homes.
Affiliate Location 10	2020	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 186,670 single-family homes.
Affiliate Location 11	2020	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 119,310 single-family homes.
Affiliate Location 12	2020	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 125,592 single-family homes.
Affiliate Location 13	2020	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 228,144 single-family homes.
Affiliate Location 14	2021	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 513,804 single-family homes.

Affiliate Location 15	2021	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 491,676 single-family homes.
Affiliate Location 16	2021	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 787,330 single-family homes.
Affiliate Location 17	2021	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 826,061 single-family homes.
Affiliate Location 18	2022	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 447,046 single-family homes.
Affiliate Location 19	2022	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 218,601 single-family homes.
Affiliate Location 20	2022	This Location is granted a fifty-mile radius from its Base Location, but derives revenue from providing services within a territory consisting of approximately 449,070 single-family homes.
Franchise Location 1	2022	This Location operates within a territory consisting of approximately 322,116 single-family homes.
Franchise Location 2	2022	This Location operates within a territory consisting of approximately 210,328 single-family homes.
Franchise Location 3	2022	This Location operates within a territory consisting of approximately 119,468 single-family homes.
Franchise Location 4	2022	This Location operates within a territory consisting of approximately 100,000 single-family homes.

Chart 2 – 2023 Gross Revenue from Franchise Locations and Affiliate Locations

The chart below includes the total Gross Revenue earned by each Affiliate Location and Franchise Location for the 2023 Calendar Year. This chart only includes the Affiliate and Franchise Locations that were open and operating as of December 31, 2022 and operating for the entire 2023 Calendar Year.

Franchise/Affiliate Location	Gross Revenue
Affiliate 12	15,475,274
Affiliate 15	12,508,342
Affiliate 18	12,372,841
Affiliate 6	11,822,003
Affiliate 10	11,619,633
Affiliate 2	11,579,942

Affiliate 1	10,845,319
Affiliate 19	10,485,877
Affiliate 8	9,829,295
Franchise 4	8,485,622
Affiliate 9	8,121,610
Affiliate 14	7,887,239
Affiliate 4	7,880,062
Affiliate 3	7,741,374
Affiliate 11	5,318,788
Affiliate 16	4,724,244
Affiliate 13	4,426,681
Affiliate 20	3,983,177
Affiliate 7	3,757,569
Franchise 1	3,700,645
Franchise 3	3,550,628
Affiliate 17	3,156,830
Affiliate 5	2,432,475
Franchise 2	1,587,914
Average Gross Revenue	$7,528,698
Number of Locations that Met or Exceeded the Average	14
Percentage of Locations that Met or Exceeded the Average	58.3%
Median Gross Revenues	$7,880,062

Gross Revenue: "Gross Revenue" in Chart 2 means all revenues generated by these Affiliate Locations and Franchise Locations between January 1, 2023 and December 31, 2023.

Chart 3 – 2023 Average Profit & Loss Statement from Affiliate Locations

Each of our Affiliate Locations is operated as an executive business model in that the owner (the partner(s) with Wayne Holloway in each Affiliate Outlet) do not take part in the day-to-day management of the business. This is contrary to an owner-operator business model in which the owner of the business participates heavily in the daily operations, management, or marketing of the business. Each of our Affiliate Locations employs managers and sales representatives. However, our franchisees may operate their Best Choice Roofing franchise under either of these models. Our franchisees may have a semi-absentee role with their franchise, employing key individuals to manage the sales and operation aspects of the business. On the other hand, our

franchisees may run their business as an owner-operator, taking a full-time role within the business themselves.

If any of our franchisees operate their business as an owner-operator, we anticipate that (i) their payroll expenses and net profit would be significantly lower than the amounts disclosed below. While they may save on payroll expenses, an owner-operator franchisee will likely not scale their business as quickly due to their own personal capacity.

The chart below includes the average Gross Revenue, Costs of Construction and certain Disclosed Expenses experienced by our twenty (20) Affiliate Locations that operated for the entire 2023 Calendar Year (January 1, 2023 to December 31, 2023). To be included in this chart, each Affiliate Location had to have been open and operating as of December 31, 2022. We did not include the four (4) Franchised Locations that were open for the entire 2023 Calendar Year because they did not report sufficient data to us to present a profit and loss statement for their franchises.

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Averages[1] Across Affiliate Locations		% of Gross Revenue[3]	Median	High	Low	Number & Percent of Affiliate Locations that Met or Exceeded the Average
Gross Revenue[2]	$8,298,429	100.00%	8,121,610	15,475,274	2,432,475	9 (45%)
Materials (After Rebates from Suppliers)[4]	3,044,375	36.40%	3,208,321	5,743,808	921,251	10 (50%)
Sub-Contractor Labor[5]	1,525,953	18.43%	1,298,163	2,963,089	516,674	8 (40%)
Total Cost of Construction	4,570,327	55.10%	4,506,484	8,706,897	1,437,925	9 (45%)
Gross Profit	3,728,102	44.90%	3,615,126	6,768,377	994,550	9 (50%)
Disclosed Expenses						
Background Checks	4,149	0.05%	4,061	7,737	1,216	9 (45%)
Bank Charges & Merchant Fees	5,809	0.07%	2,531	10,833	1,703	8 (40%)
Commissions[6]	746,859	9.00%	730,945	1,392,775	218,923	9 (45%)
CRM & Tech	3,600	0.04%	3,523	6,713	1,055	8 (40%)
Insurance - Property, Workers Comp & Liability	39,832	0.48%	38,983	74,280	11,676	9 (45%)
Internet & Telephone	9,460	0.11%	9,258	17,641	2,773	9 (45%)
Customer Call Center[7]	7,440	0.09%	7,281	13,874	2,181	9 (45%)
Marketing Materials	13,200	0.16%	12,919	24,616	3,869	8 (40%)
Office Supplies	2,600	0.03%	2,545	4,849	762	9 (45%)
Office – Lease	26,400	0.32%	25,837	49,232	7,738	9 (45%)
Administrative Payroll[8]	100,400	1.21%	98,261	187,230	29,430	5 (28%)
Utilities	2,114	0.03%	2,069	3,942	620	8 (40%)
Bonus[9]	73,499	0.89%	71,933	137,064	21,544	10 (50%)
Total Disclosed Expenses[10]	1,081,655	13.00%	1,050,754	2,008,164	315,652	9 (45%)
Average Gross Profit Less Disclosed Expenses[11]	2,646,447	31.90%	2,564,372	4,760,213	678,898	8 (40%)
Estimated Expenses[12]						
Estimated Contract Entry Fees[13]	7,950	0.1%	N/A – Estimates			
Estimated QuickBooks & Right Networks Hosting Fees[14]	4,800	0.10%				
Estimated Royalty Fees[15]	497,906	6.00%				
Estimated Brand Fund Contributions[16]	82,984	1.00%				
Estimated Owens Corning Annual Membership Fee[17]	2,500	0.04%				
Total Estimated Expenses	596,140	7.18%				
Average Gross Profit Less Disclosed & Estimated Expenses[18]	2,050,307	24.71%				
Estimated Sales Manager Base Salary & Bonuses[19]	83,899	1.00%				
Estimated Average Gross Profit Less Disclosed & Estimated Expenses - Owner-Operator[20]	1,966,408	23.7 %				

Notes to Chart 3:

1. Averages: This chart contains the average Gross Revenue and Disclosed Expenses from the eighteen (20) Affiliate Locations that were open and operating for the entire 2023 Calendar Year along with certain estimated expenses described below. The amounts across all eighteen (20) Affiliate Locations were totaled and divided by eighteen (20) to reflect the average.

2. Gross Revenue: As used in Chart 3, "Gross Revenue" means the average of all revenues generated by the Affiliate Locations between January 1, 2023 and December 31, 2023 with no deductions.

3. % of Gross Revenue: This column reflects the percentage of average Gross Revenue for each row. For example, the average Total Disclosed Expenses ($1,081,655) is 13.0% of the average Gross Revenue, and the Estimated Contract Entry expense ($41,492) is 0.5% of the average Gross Revenue.

4. Materials: Our Affiliate Locations receive rebates from Owens Corning and distributors based on their purchases of roofing material. Our franchisees will receive some of these rebates as well, but not all of them. The amount shown for "Materials" in Chart 3 is after the applicable rebates that our franchisees may be eligible for have been subtracted. We have not subtracted amounts from rebates that our franchisees will not be eligible for.

5. Sub-Contractor Labor: This represents the average amounts paid to contractors who perform the labor associated with roof installation.

6. Commissions: This represents the average sales commissions paid to sales staff based on certain objectives. This represents a base commission that we propose for your sales staff.

7. Customer Call Center: This figure represents the actual historical Customer Call Center expenses each of the Affiliate Locations incurred during the 2023 Calendar Year. However, under this Disclosure Document, our franchisees will pay an annual fixed expense for the Customer Call Center based on the number of Designated Territories they purchase (see Item 6).

8. Administrative Payroll: This represents (i) the base salary, bonus, and commission for one (1) Sales Manager; (ii) the base salary, bonus, and commission for one (1) General Manager; and (iii) the base salary for one (1) Office Administrator. We anticipate that many of our franchisees will personally oversee the day-to-day operation of their businesses and will not pay certain payroll expenses as they will assume one or more of these roles.

9. Bonus: This represents the average bonuses paid to the Managers of an Affiliate Location with the average Gross Revenue above. We expect that franchisees with higher or lower Gross Revenue will have higher or lower bonus expenses, respectively. As described above, we anticipate that our owner-operator franchisees may not incur this expense as they will be running their franchises themselves.

10. Total Disclosed Expenses: The "Disclosed Expenses" in Chart 3 include some, but not all, of the historical expenses incurred by our Affiliate Locations during the 2023 Calendar Year. Our franchisees may incur additional expenses depending on how they operate their franchise from a staffing perspective (see Estimated Expenses below).

11. Average Gross Profit Less Disclosed Expenses: This represents the actual, historical average Gross Profit less the actual, historical average Disclosed Expenses that our Affiliate Locations experienced during the 2023 Calendar Year.

12. Estimated Expenses: These Estimated Expenses represent material financial differences between our Affiliate Locations and the franchise offered under this Disclosure Document. Each of the Estimated Expenses has been based on either (i) historical financial performance data or (ii) certain fees that franchisees of ours will pay us that our Affiliate Locations did not pay us during the 2022 Calendar Year.

13. Estimated Contract Entry Fees: Our franchisees must pay us $15 per contract entry (see Item 6). We estimated that the average Gross Revenue in Chart 3 would have resulted from approximately 530 contracts entered during the 2023 Calendar Year. Therefore, we multiplied 530 contracts by the $15 Contract Entry Fee to come up with a total Estimated Contract Entry Fee of $7,950 (0.5% of average Gross Revenue).

14. Estimated QuickBooks & Right Networks Hosting Fees: Our franchisees must pay our designated supplier, Right Networks, $400 per month for QuickBooks and accounting fees. Our Affiliate Locations did not incur this same expense during the 2023 Calendar Year. This figure represents twelve (12) months multiplied by the fee of $400 per month for a total Estimated QuickBooks & Right Networks Hosting Fee of $4,800 (0.1% of average Gross Revenue).

15. Estimated Royalty Fees: Our Affiliate Locations do not pay Royalty Fees, so this amount is an estimate and not a historical figure. The average Royalty Fees across all Affiliate Locations during the 2023 Calendar Year would have been $497,906 (equal to 6% of the average Gross Revenue of $8,298,429).

16. Estimated Brand Fund Contributions: Our Affiliate Locations do not pay Brand Fund Contributions, so this amount is an estimate and not a historical figure. The average Brand Fund Contributions across all Affiliate Locations during the 2023 Calendar Year would have been $82,984 if they were required to pay 1% of the average Gross Revenue of $8,298,429. As of the Issuance Date of this Disclosure Document, we do not collect Brand Fund contributions, but we reserve the right to collect up to 3% of Gross Sales, and we intend to begin collecting 1% of Gross Sales from our franchisees in the next year.

17. Estimated Owens Corning Annual Membership Fee: Our Affiliate Locations share one Owens Corning Platinum Preferred Membership and do not each incur the applicable $2,500 annual membership fee. Each of our franchisees will have to obtain their own Platinum Preferred Membership, incurring the $2,500 annual membership fee (see Item 6).

18. Average Gross Profit Less Disclosed Expenses & Estimated Expenses: If our Affiliate Locations had incurred the Estimated Expenses (Estimated Contract Entry Fees, Estimated QuickBooks & Right Networks Hosting Fees, Estimated Royalty Fees, Estimated Brand Fund Contributions, and Estimated Owens Corning Annual Membership Fee), then the average Gross Profit less the average Disclosed Expenses and the Estimated Expenses would have been $1,966,408 (23.7% of average Gross Revenue).

19. Estimated Sales Manager Base Salary & Bonuses: We estimate that our franchisees will pay themselves an annual base salary of approximately $10,400 if they operate their franchise as an "owner-operator," assuming the role of the Sales Manager, and we anticipate many of our franchisees to operate their franchises as owner-operators. We have added that amount to the

average Bonus of $73,499 for a total Estimated Manager Salary & Bonus of $83,899. This is the amount that we anticipate a franchisee would pay themselves between base salary and bonus during a calendar year if the franchisee assumed the role of the Sales Manager. This particular figure is an estimate, as described above, and not a historical financial performance representation.

20. Estimated Average Gross Profit Less Disclosed Expenses & Estimated Expenses – Owner-Operator: This particular figure is an estimate, and not a historical financial performance representation, of the average Gross Revenue less the average Disclosed Expenses and the Estimated Expenses that an owner-operator franchisee may experience if they assume the day-to-day Sales Manager role of their franchise, adding the Estimated Sales Manager Base Salary & Bonus of $83,899 (see Note 19 above) to the average Gross Revenue less the average Disclosed Expenses and the Estimated Expenses.

Chart 4 – 2023 Average Start-up Gross Revenue Across First 24 Months of Business for Affiliate Locations open for two (2) years as of December 31, 2023

The chart below displays the average annual Gross Revenue for our seventeen (17) Affiliate Locations that were open and operating for two (2) years as of December 31, 2023 during their first twelve (12) months of operation and second twelve (12) months of operation (Months 13-24 of Operation).

Date Range	Months 1-12 of Operation	Months 13-24 of Operation
Number of Affiliate Locations	17	17
Average Gross Revenue	$8,767,102	$11,593,890
Number and Percent of Affiliate Locations that Met or Exceeded Average	3 (18%)	4 (24%)
Median Gross Revenue	$5,725,296	$7,887,239
Highest Gross Revenue	$13,390,997	$15,475,274
Lowest Gross Revenue	$1,109,552	$2,432,475

The chart below displays the monthly average Gross Revenue for the same seventeen (17) Affiliate Locations open and operating for two (2) years as of December 31, 2023 during each of their first twenty-four (24) months of operation.

Month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Average Gross Revenue	$326,208	$401,254	$519,969	$522,460	$512,099	$481,141
Number and Percent that Met or Exceeded Average	8 (47%)	7 (41%)	8 (47%)	6 (35%)	8 (47%)	8 (47%)
Month	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Average Gross Revenue	$456,430	$546,269	$529,128	$624,986	$700,709	$567,890
Number and Percent that Met or Exceeded Average	8 (47%)	8 (47%)	7 (41%)	9 (53%)	6 (35%)	6 (35%)

Month	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18
Average Gross Revenue	$511,546	$564,214	$863,221	$866,670	$861,674	$713,020
Number and Percent that Met or Exceeded Average	6 (35%)	8 (47%)	7 (41%)	9 (53%)	9 (53%)	8 (47%)
Month	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Average Gross Revenue	$674,062	$742,152	$695,392	$604,524	$610,226	$477,222
Number and Percent that Met or Exceeded Average	8 (47%)	7 (41%)	8 (47%)	6 (35%)	8 (47%)	8 (47%)

Chart 5 – 2023 Average Gross Profit Margins

The charts below represent the 2023 Calendar Year average percentages of Sub-Contractor Labor and Materials (both comprising Cost of Construction), and the resulting Gross Profit Margins given those costs, for our twenty (20) Affiliate Locations that were open for the entire 2023 Calendar Year.

Affiliate Locations							
	Number of Locations	**Low**	**High**	**Median**	**Average**	**Number that met or exceeded the Average**	**Percent that met or exceeded the Average**
Sub-Contractor Labor	20	15.1%	51.4%	33.5%	36.4%	12	60.0%
Materials	20	15.7%	55.4%	28.9%	18.4%	8	40.0%
Gross Profit Margin	20	16.0%	51.4%	32.7%	44.9%	11	55.0%

Chart 6 – 2023 Average Jobs and Ticket Price

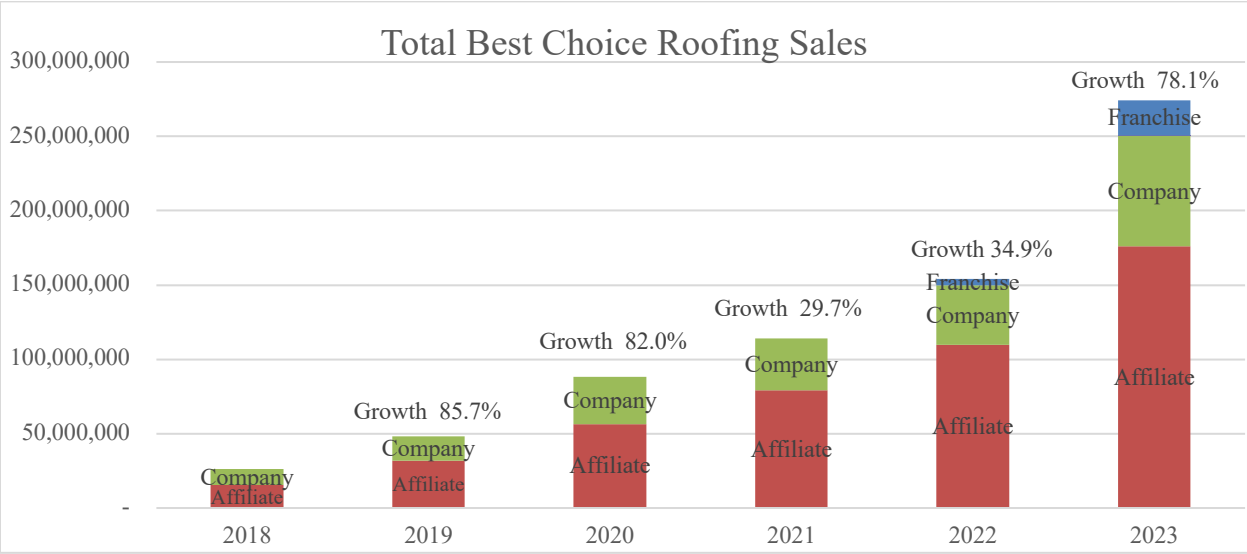
The chart below represents the average price per job ("Ticket Price") for all Affiliate Locations that operated during the 2023 Calendar Year (not just Affiliate Locations that operated for the entire 2023 Calendar Year). During the 2023 Calendar Year, our Affiliate Locations signed a total of 11,669 jobs with customers. Each "Ticket Price" represents the price of each Job. This includes jobs signed by the seven (7) Affiliate Locations that opened during the 2023 calendar year.

Total Jobs	**High Ticket Price**	**Low Ticket Price**	**Average Ticket Price**	**Median Ticket Price**	**Number and Percent of Jobs that Met or Exceeded the Average Ticket Price**
11,669	$287,118.50	$728.96	$14,875.36	$13,270.68	4,790 Jobs (41%)

Chart 7 – Year-Over-Year System Growth

The below chart summarizes the year-over-year growth in revenue across all of our Affiliate Locations and our Corporate Outlet during the entire 2018, 2019, 2020, 2021, 2022, and 2023 calendar years. The "Overall System Growth" is the percentage of growth in Total Gross Revenues between each applicable year and the preceding year. The "Corporate Outlet Gross Revenues" represents Gross Revenue earned by our Corporate Outlet as disclosed above.

Year	Affiliate Locations Gross Revenues	Corporate Outlet Gross Revenues	Franchise Locations Gross Revenues	Total Gross Revenues	Overall System Growth	Affiliate Locations at Year End	Corporate Locations at Year End	Franchise Locations at Year End	Total Locations at Year End
2018	15,626,418	10,432,729		26,059,147		10	6		16
2019	32,011,258	16,374,910		48,386,168	85.70%	11	8		19
2020	56,561,961	31,487,562		88,049,523	82.00%	17	12		29
2021	79,205,335	34,989,166		114,194,501	29.70%	24	15		33
2022	109,954,748	39,785,690	4,363,639	154,104,085	34.9%	23	17	4	39
2023	176,067,712	74,542,838	23,781,239	274,391,789	78.1%	25	21	20	59



Notes:

1. "Gross Revenue" in the above charts means all revenue collected by each Location during the time period measured with no discounts.

2. The Charlotte, North Carolina Location was converted from a Corporate Outlet business to an Affiliate Location in October 2021.

3. The Indianapolis, IN affiliate location was converted to a franchise on March 18, 2022, and we no longer have an ownership interest in this business.

4. The Jackson, TN affiliate location was converted to a franchise on March 29, 2022, and we no longer have an ownership interest in this business.

Some outlets have sold this amount. Your individual results may differ. There is no assurance you'll sell as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Best Choice Roofing Franchising, LLC, 105 Hazel Path, Hendersonville, Tennessee 37075-3886, (615) 637-3341, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	0	0	0
	2022	0	6	+6
	2023	6	18	+12
Company-Owned*	2021	29	35	+6
	2022	35	37	+2
	2023	37	45	+8
Total Outlets	2021	29	35	+6
	2022	35	43	+8
	2023	43	63	+20

*Company-owned locations are owned and operated by affiliated entities

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table 3
Status of Franchised Outlets
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-Nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Colorado	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Delaware	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Georgia	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Indiana	2021	0	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-Nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2022	0	1	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	1	0	0	0	1
Michigan	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Oregon	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Tennessee	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	7*	0	0	0	0	7
Utah	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Totals	2021	0	0	0	0	0	0	0
	2022	0	6	0	0	0	0	6
	2023	6	14	2	0	0	0	18

*One of the Texas franchisees has been terminated as of the Issuance Date of this Disclosure Document.

Table 4
Status of Company-Owned Outlets
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
AL	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	1	0	0	0	3
AZ	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
FL	2021	4	1	0	0	0	5
	2022	5	1	0	0	0	6
	2023	6	0	0	0	0	6
GA	2021	2	0	0	0	0	2
	2022	2	1	0	0	0	3
	2023	3	1	0	0	0	4
IN	2021	2	0	0	0	0	2
	2022	2	0	0	0	1	1
	2023	1	0	0	0	0	1
KY	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	1	0	0	0	3
LA	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2022	0	0	0	0	0	0
MS	2021	1	1	0	0	0	2
	2022	2	1	0	0	0	3
	2023	3	0	0	0	0	3
MD	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
NV	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
	2023	1	0	0	0	0	1
NC	2021	4	2	0	0	0	6
	2022	6	1	0	0	0	7
	2023	7	1	0	0	0	8
OH	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	1	0	0	0	2
PA	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
SC	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	2	0	0	0	4
TN	2021	4	0	0	0	0	4
	2022	4	1	0	0	1	4
	2023	4	1	0	0	0	5
VA	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
Totals	2021	29	7	0	1	0	35
	2022	35	6	0	1	3	37
	2023	37	8	0	0	0	45

Table 5
Projected Openings as of December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Alabama	1	1	0
California	1	1	0
Colorado	1	1	0
Florida	2	2	0

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Idaho	1	1	0
Kansas	1	1	0
Louisiana	1	1	0
Minnesota	1	1	0
Missouri	1	1	0
New Jersey	1	1	0
New York	1	1	0
Pennsylvania	1	1	0
Texas	1	1	0
Totals	14	14	0

Current Franchisees

Exhibit F contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit F contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number 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 have not communicated with us within 10 weeks of the disclosure document issuance date.

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

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21
FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements as of December 31, 2023, December 31, 2022, and December 31, 2021 as well as our unaudited balance sheet as of March 31, 2024 and our unaudited profit and loss statement from January 1, 2024 to March 31, 2024. Our fiscal year end is December 31.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
C. Form of General Release
H. State Addenda to Franchise Agreement

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2102 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Director of the Division of Insurance 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities And Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	**Franchisee**	_____
2.	**Initial Franchise Fee**	$_____
3.	**Approximate Number of Single-Family Homes within Territory(ies)**	_____
4.	**Number of Territories**	_____
5.	**Territory(ies)**	See Attached Map and List of Zip Codes
6.	**Opening Deadline**	_____
7.	**Principal Executive (If an Entity)**	_____
8.	**Franchisee's Address**	_____
9.	**Franchisee's State(s) of Residence**	_____
10.	**State(s) in which the Business will be operated**	_____

FRANCHISE AGREEMENT

This Agreement is made between Best Choice Roofing Franchising, LLC, a Tennessee limited liability company ("Franchisor"), and Franchisee effective as of the date signed by Franchisor (the "Effective Date").

Background Statement:

A. Franchisor and its affiliates have created and own a system (the "System") for developing and operating a roofing business under the trade name "Best Choice Roofing".

B. The System includes (1) methods, procedures, and standards for developing and operating a Best Choice Roofing business, (2) particular products and services, (3) the Marks, (4) training programs, (5) business knowledge, (6) marketing plans and concepts, and (7) other mandatory or optional elements as determined by Franchisor from time to time.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate a Best Choice Roofing business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by Franchisor.

"**Business**" means the Best Choice Roofing business owned by Franchisee and operated under this Agreement.

"**Competitor**" means any business which sells or provides roofing installation and/or repair services.

"**Confidential Information**" means all non-public information of or about the System, Franchisor, and any Best Choice Roofing business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

"**Gross Sales**" means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

"**Input**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

"**Location**" means the location stated on the Summary Page.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means Franchisor's confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Brand Fund**" means the fund established (or which may be established) by Franchisor into which Brand Fund Contributions are deposited.

"**Marks**" means the trademark contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use in a Best Choice Roofing business.

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then "Owner" means Franchisee.

"**Required Vendor**" means a supplier, vendor, or distributor of Inputs which Franchisor requires franchisees to use.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Franchisor, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design, equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

"**Territory**" means the territory stated on the Summary Page, which may reference to or include one or more maps and lists of zip codes attached hereto. The Territory may be one Territory or multiple Territories. In this Franchise Agreement, "Territory" shall refer to all Territories, whether one or more, that Franchisee has purchased from Franchisor.

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, or (iv) control of the Business.

"**Warranty Work**" means all labor relating to repairing or replacing a product installed by Franchisee pursuant to such product's warranty issued by Franchisee or the Required Vendor of such product.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate a Best Choice Roofing business solely in the Territory. Franchisee shall develop, open and operate a Best Choice Roofing business in the Territory for the entire term of this Agreement.

2.2 Protected Territory.

(a) Limitation. Franchisee shall not solicit or market to potential customers outside of the Territory without Franchisor's prior written permission, which permission Franchisor may withdraw at any time.

(b) Service. Franchisee shall not provide services at any location outside of the Territory without Franchisor's prior written permission. Franchisor may withdraw permission at any time. Franchisee shall not market or otherwise solicit business outside of the Territory without Franchisor's prior written permission, which permission Franchisor may withdraw at any time. If ten percent (10%) or more of Franchisee's Gross Sales are derived from providing services outside of Franchisee's Territory, Franchisor may, in its sole discretion, require Franchisee to purchase one or more additional Territories that comprise the area where Franchisee is deriving such revenue. If Franchisee provides services at any location outside of the Territory without Franchisor's prior written permission, Franchisor may impose a fee equal to the greater of (i) $500 or (ii) 75% of the amount paid by such customer to Franchisee. This fee is a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing Franchisee's breach of this Section, and it is not a penalty or estimate of all damages arising from Franchisee's breach. This fee is in addition to all of Franchisor's other rights and remedies.

(c) Exclusivity. Franchisor shall not establish, nor license the establishment of, another Best Choice Roofing business within the Territory or which serves customers located in the Territory. However, Franchisor retains the right to:

(i) serve (or authorize other franchisees to serve) customers in the Territory if Franchisee is in default, or if Franchisee is incapable of meeting customer demand in the Territory (in Franchisor's reasonable opinion), after notice of the same has been delivered to Franchisee in writing and Franchisee has been given a reasonable opportunity to correct defaults and to serve such customers;

(ii) serve (or authorize other franchisees to serve) a particular customer in the Territory if Franchisee fails to properly serve such customer, or if Franchisor reasonably

believes that Franchisee will not properly serve such customer after notice of the same has been delivered to Franchisee in writing and Franchisee has been given a reasonable opportunity to serve such customers;

(iii) establish and license others to establish and operate Best Choice Roofing businesses outside the Territory;

(iv) operate and license others to operate businesses anywhere that do not operate under the Best Choice Roofing brand name; and

(v) sell and license others to sell Best Choice Roofing products and services to customers in the Territory through channels of distribution (including the internet) so long as such products and services are not provided through a Best Choice Roofing outlet in the Territory, and are different from the products and services provided by Franchisee, and in utilizing alternative channels of distribution as described herein, Franchisor would pay no compensation to Franchisee.

(d) Policies. Franchisor may set policies binding on all franchisees regarding soliciting, marketing, and serving customers in another franchisee's territory, and Franchisor may waive or modify such policies in any circumstance as Franchisor determines. If Franchisee obtains a client in the protected territory of another franchisee, then, in addition to all other rights and remedies Franchisor may have, Franchisor may in its discretion (i) require Franchisee to transfer the client to such other franchisee, (ii) require Franchisee to pay such other franchisee 75% of the Gross Sales received from such client, or (iii) fashion such other remedy as Franchisor deems appropriate.

(e) Referrals. Franchisor may set policies binding on all franchisees regarding referral fees (and other terms and conditions) when a customer is referred from one Best Choice Roofing business to another. Franchisor also retains full discretion in determining how national accounts may be handled between, by, and among franchisees, including Franchisee. Franchisor may waive or modify such policies in any circumstance as Franchisor determines.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Franchisor within 10 days.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 10% ownership interest in Franchisee. The Principal Executive must participate in the direct operation of the Business and must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Franchisor's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Attachment 2.

2.6 No Conflict. Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

2.7 Name of Franchised Business. Franchisee shall not use the words "Best Choice Roofing" or "BCR" or related names, acronyms, or conflicting words in Franchisee's entity name. Franchisor shall, in its sole discretion, have the right to approve or disapprove of Franchisee's entity name, and Franchisee shall take all steps necessary to change its entity name upon written request by Franchisor.

2.8 DBA Requirement. Franchisee must register a "Doing Business As" or similar type of fictitious business name with Franchisee's local municipality, but not at the state level unless Franchisee has purchased all of the Best Choice Roofing Territories available within the applicable state. Franchisee's fictitious business name shall be "Best Choice Roofing", or as otherwise designated by Franchisor, and Franchisee shall not use any other fictitious business name for the Franchised Business. Franchisee shall provide Franchisor with proof of its fictitious name filing upon Franchisor's request.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the date Franchisee opens for business and continues for ten (10) years thereafter.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to two (2) additional periods of five (5) years each, subject to the following conditions prior to each expiration:

(i) Franchisee notifies Franchisor of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee has made or agrees to make (within a period of time acceptable to Franchisor) changes to the Business as Franchisor requires to conform to the then-current System Standards;

(iv) Franchisee executes Franchisor's then-current standard form of franchise agreement, which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;

(v) Franchisee shall pay Franchisor a renewal fee equal to ten thousand dollars ($10,000); and

(v) Franchisee and each Owner executes a general release (on Franchisor's then-standard form) of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees (subject to applicable state law).

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable, except as provided in Section 6.4. The cumulative initial franchise fee is calculated by the number of Territories Franchisee purchases according to the table below, which include the corresponding approximate number of single-family homes:

Number of Territories	Approximate Single-Family Homes in Territory	Initial Franchise Fee	Cumulative Initial Franchise Fee
1	100,000	$59,500	$59,500
2	200,000	$40,000	$99,500
3	300,000	$35,000	$134,500
4	400,000	$30,000	$164,500
5	500,000	$30,000	$194,500
6	600,000	$30,000	$224,500
7	700,000	$30,000	$254,500
8	800,000	$30,000	$284,500
9	900,000	$30,000	$314,500
10	1,000,000	$30,000	$344,500

If Franchisee's Territory territories with approximate numbers of single-family homes between two levels in the above chart, Franchisee shall pay Franchisor $0.60 per single-family home.

4.2 Royalty Fee. Throughout the term of this Franchise Agreement, Franchisee shall pay Franchisor a royalty fee (the "Royalty Fee") equal to six percent (6%) of Franchisee's Gross Sales from each job that Franchisee performs. Franchisee shall pay Franchisor the Royalty Fee within thirty (30) days after each contract is written by (entered into) Franchisor's Customer Relationship Management platform, and Franchisor may collect the Royalty Fee on a weekly basis. Beginning in the sixth (6th) month after Franchisee opens for business, the Royalty Fee shall be subject to a minimum weekly amount based on the approximate number of single-family homes within the Territory(ies) Franchisee has purchased, which number is stated on the Summary Page of this Franchise Agreement. The Royalty Fee for any given week is due on the Monday of the following week. The minimum weekly Royalty Fee is equal to three hundred dollars ($300.00) multiplied by the number of single-family homes within Franchisee's Territory or Territories divided by one hundred thousand (100,000). For avoidance of confusion, the formula for calculating Franchisee's minimum weekly Royalty Fee is below:

$$Minimum\ weekly\ Royalty\ Fee = \$300 \times \frac{\#\ of\ Single - Family\ Homes\ within\ Territory(ies)}{100{,}000}$$

4.3 Brand Fund Contribution.

(a) Brand Fund Contribution. Franchisor reserves the right to require Franchisee to pay Franchisor an ongoing contribution to the Brand Fund (the "Brand Fund Contribution") equal to up to three percent (3%) of Franchisee's Gross Sales (or such lesser amount as Franchisor determines), at the same time as the Royalty Fee.Franchisor shall provide Franchisee with thirty (30) days' notice prior to requiring and collecting Brand Fund Contributions from Franchisee.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative.

4.4 Replacement/Additional Training Fee. If Franchisee sends an employee to Franchisor's training program after opening, Franchisor may charge its then-current training fee. As of the date of this Agreement, the training fee is $1,000 per day.

4.5 Third Party Vendors. If Franchisor requires Franchisee to use a designated third-party vendor, Franchisor has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor. If Franchisor does so, it may impose a reasonable markup or charge for administering the payment program.

4.6 Non-Compliance Fee. Franchisor may charge Franchisee $1,000 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Franchisor) which Franchisee fails to cure after 30 days' notice. Thereafter, Franchisor may charge Franchisee $250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Franchisor's other rights and remedies.

4.7 Reimbursement. Franchisor may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Franchisor within 15 days after invoice by Franchisor accompanied by reasonable documentation.

4.8 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Fund Contribution, and any other amounts owed to Franchisor by pre-authorized bank draft or in such other manner as Franchisor may require, and Franchisor may, in its sole discretion, change the timing of collection of any fees due to Franchisor under this Agreement upon notice to Franchisee.

(b) Calculation of Fees. Franchisee shall report weekly Gross Sales to Franchisor by the first day of the following week. If Franchisee fails to report monthly Gross Sales, then Franchisor may withdraw estimated Royalty Fees and Brand Fund Contributions equal to 125% of the last royalty paid, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee's point-of-sale system and accounting software to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Franchisor may charge $80 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Franchisor (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are not dependent on Franchisor's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

(h) Credit of amounts paid towards future payments. In the event a customer of Franchisee cancels a contract after the Royalty or Brand Fund Contribution has been paid, Franchisee shall not be entitled to a refund of any amounts paid towards the Royalty or Brand Fund Contribution; however, Franchisor shall grant a credit to Franchisee an amount equal to the Royalty or Brand Fund Contribution paid against the cancelled contract. Such credit shall be applied to the next Royalty or Brand Fund Contribution due.

(i) Credit of amounts paid towards future payments. In the event a customer of Franchisee cancels a contract after the Royalty or Brand Fund Contribution has been paid, Franchisee shall not be entitled to a refund of any amounts paid towards the Royalty or Brand Fund Contribution; however, Franchisor shall grant a credit to Franchisee an amount equal to the Royalty or Brand Fund Contribution paid against the cancelled contract. Such credit shall be applied to the next Royalty or Brand Fund Contribution due.

4.9 Quarterly Audit Inspection. Franchisor may audit Franchisee's Franchised Business quarterly and Franchisee must pay Franchisor its actual cost to complete the inspection plus one thousand dollars ($1,000) in association with each audit if Franchisee is found to not be in compliance with Franchisor's System Standards or the terms of this Agreement when such audit is performed.

4.10 Call Center Fee. On an annual basis, Franchisee will pay Franchisor or its designated supplier (currently Franchisor's affiliate, Storm Leads, Inc.) three thousand and three-hundred dollars ($3,300.00) per every three (3) Territories granted to Franchisee ("Call Center Fee"). Franchisee acknowledges that Franchisor shall have all website and phone inquiries routed to its designated supplier or affiliate that manages a call center.

4.11 Storm Leads Fee. Franchisee will pay Franchisor or its designated supplier, which may be an affiliate of Franchisor, (currently Franchisor's affiliate, Storm Leads, Inc.) ninety dollars ($90.00) per lead that Franchisee submits to such supplier which lead is then scheduled for an appointment with Franchisee by the supplier ("Storm Leads Fee"). Franchisee will pay the Storm Leads Fee in addition to the Call Center Fee.

4.12 101k TV Fee. Prior to opening for business, Franchisee must pay Franchisor or its designated supplier two hundred and ten dollars ($210.00) for 101K TV service, which allows Franchisor to stream content to a television within Franchisee's Franchised Business. Annually, Franchisee must pay Franchisor the then-current fee for this service or a similar service that Franchisor may adopt and require.

4.13 **Client Contract Fee.** Franchisee must enter all client contracts into Franchisor's designated system, and Franchisee shall pay fifteen dollars ($15.00) to Franchisor or Franchisor's affiliate per client contract that Franchisee enters into Franchisor's designated system.

ARTICLE 5. ASSISTANCE

5.1 Manual. Franchisor shall make its Manual available to Franchisee.

5.2 No Assistance with Hiring Employees. Franchisor shall provide its suggested staffing levels to Franchisee. Franchisor shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 No Assistance with Training Employees. Franchisor shall, to the extent it deems appropriate, provide programs for Franchisee to use with training of new employees. However, Franchisee shall be solely responsible for training its own employees to comply with Franchisee's obligations under this Agreement and the Manual.

5.4 Pre-Opening Assistance.

(a) Pre-Opening Specifications and Vendors. To the extent not included in the Manual, Franchisor shall provide Franchisee with (i) applicable System Standards and other specifications as Franchisor deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (ii) Franchisor's lists of Approved Vendors and/or Required Vendors.

(b) Pre-Opening Training. Franchisor shall make available its standard pre-opening training to the Principal Executive and up to (two) 2 other employees, at Franchisor's headquarters and/or at a Best Choice Roofing business designated by Franchisor. Franchisor shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses.

(c) Market Introduction Plan. Franchisor shall advise Franchisee regarding the planning and execution of Franchisee's Market Introduction Plan if Franchisee submits such a Market Introduction Plan to Franchisor.

(d) Site Selection. Franchisee shall be solely responsible for selecting the location for the Licensed Business that complies with the Manual (hereinafter "the Premises"). Franchisee, within forty-five (45) days after signing this Agreement, shall select a location, subject to Franchisor's approval. Franchisor will attempt to provide to Franchisee any information in its possession regarding the Premises, proposed Premises and any known alternative Premises within Franchisee's Territory. Such information is provided by Franchisor without warranty as to its accuracy or completeness or otherwise. Franchisor has no special expertise in such matters. Franchisee shall not sign a lease, sub-lease or other obligation until after Franchisee has received Franchisor's approval of the Premises and lease or sub-lease in writing. If Franchisor has not notified Franchisee within ten (10) business days following Franchisor's receipt from Franchisee of a copy of the proposed lease or sub-lease and such other information about the proposed Premises as Franchisor may require, then the Premises shall be deemed not approved. Approval of the Premises or the lease or sub-lease by Franchisor does not constitute a representation or warranty by Franchisor that the Premises will be good and does not constitute a legal or other opinion as to any term of the lease or sub-lease. Franchisor may, in Franchisor's discretion, condition approval upon execution of the Lease Conditional Assignment Agreement by Franchisee and Franchisee's landlord in the form of Attachment 3, attached hereto. If Franchisee fails to select an approved location within one hundred and eighty (180) days of executing this Agreement, Franchisor shall have the option of terminating this Agreement with no refund of any fees due to Franchisee. Franchisee acknowledges and agrees that failure to select an approved location within one hundred and eighty (180) days of executing this Agreement is cause for Termination of this Agreement. Notwithstanding Franchisor's right to terminate for failure to select an approved location within one hundred and eighty (180) days of executing this Agreement, Franchisor may reasonably extend the selection period if Franchisee has made best efforts to select a location and for valid reasons has been unsuccessful.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support). As of the Effective Date of this Agreement, Franchisor's current fee for in-person support is five-hundred dollars ($500) per day. If Franchisee sends an employee to Franchisor's initial training program after Franchisee has opened for business, Franchisee shall pay Franchisor $1,000 per attendee and Franchisee shall be solely responsible for all other expenses related to such training for its attendees.

(b) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required (and not merely recommended) System Standards.

(c) Marketing. Franchisor shall manage the Brand Fund.

(d) Internet. Franchisor shall maintain a website for Best Choice Roofing, which will include Franchisee's location (or territory) and telephone number. Franchisee will be prohibited from creating any websites for the promotion of Franchisee's Business.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Location. Franchisee is solely responsible for selecting the Location. If the Location is not stated on the Summary Page, then Franchisee shall find a suitable Location that meets Franchisor's System Standards (if any) within the Territory.

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Franchisor, Franchisee must submit the proposed lease to Franchisor for written approval, and (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement.

6.3 Development. If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall construct (or remodel) and finish the Location in conformity with Franchisor's System Standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Franchisor's training program for new franchisees before opening the Business. If the Principal Executive (i) fails to complete the initial training program to Franchisor's satisfaction, or (ii) Franchisor concludes, no more than 10 days after the Principal Executive completes the initial training program, that the Principal Executive does not have the ability to satisfactorily operate the Business, then Franchisor may terminate this Agreement. In such event, Franchisor shall refund the initial franchise fee to Franchisee (less any franchise broker fees and other out-of-pocket costs incurred by Franchisor related to Franchisee), subject to Franchisee's prior execution of a general release of liability of Franchisor and its affiliates, in a form prescribed by Franchisor. Franchisee must attend training within ninety (90) days of executing this Franchise Agreement.

6.5 Conditions to Opening. Franchisee shall notify Franchisor at least 30 days before Franchisee intends to open the Business. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Franchisee has hired sufficient employees, (5) Franchisee's officers and employees have completed all of Franchisor's required pre-opening training; (6) Franchisee has obtained Platinum Preferred Contractor Status with Owens Corning; and (7) Franchisor has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business within six (6) months of signing this Franchise Agreement.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products and Services. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Franchisor may require. Franchisee is required to perform all Warranty Work for products installed during the term of the Franchise Agreement by Franchisee during and after the term of the Franchise Agreement. Franchisee must purchase all products, services and equipment from Franchisor's approved suppliers, which may be Franchisor or an Affiliate of Franchisor, as designated in the Manual.

7.3.1 Owens Corning Membership. Franchisee must apply for and obtain a Platinum Preferred Contractor membership/status, including meeting all requirements and making required payment for such membership/status, from Owens Corning prior to opening the Business. Franchisee must maintain its Platinum Preferred Contractor Status with Owens Corning at all times during the Term of this Franchise Agreement, including annually renewing this membership and paying the applicable renewal fee(s), unless Franchisor states otherwise in writing.

7.3.2 Warranty. Franchisee shall offer all of its customers a warranty on all products and services in accordance with Franchisor's standards as contained within the Manual, which may be changed from time to time in Franchisor's sole discretion (the "Warranty"). Franchisee shall be exclusively responsible for the costs associated with providing products and services under the Warranty, including, without limitation, labor costs. Franchisee's responsibilities related to the Warranty shall survive the expiration, termination, or transfer of this Franchise Agreement. If Franchisee fails to perform its Warranty obligations, Franchisor may, through an affiliate of Franchisor or any other third-party, provide products and/or services under the Warranty and charge Franchisee for all costs associated with such products and/or services along with a reasonable administrative fee.

7.4 Prices. Franchisee acknowledges that the System Standards determined by Franchisor may include the minimum, maximum, and/or exact prices that franchisees may charge for products or services sold (except to the extent such authority is limited or prohibited by applicable law).

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Qualifications. Franchisor may set minimum qualifications for categories of employees employed by Franchisee.

(d) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be an agent or employee of Franchisor.

(e) Minimum Number of Sales Representatives. Upon reaching one hundred twenty thousand dollars ($120,000) in monthly gross revenue for a period of three (3) consecutive months, Franchisee shall be required to employ no less than four (4) full time sales representatives on behalf of the Franchised Business, not including Franchisee's Principal Executive. Failure or refusal to comply with this requirement shall constitute a material violation of the Franchise Agreement and will be subject to termination of the Franchise Agreement by Franchisor subject to the cure period with Section 14.2(b) of the Franchise Agreement.

7.6 Post-Opening Training. Franchisor may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Franchisor, including, without limitation, the BCR App. Franchisee shall enter into any subscription and support agreements that Franchisor may require. Franchisee shall upgrade, update, or replace any software from time to time as Franchisor may require. Franchisee shall protect the confidentiality and security of all software systems, and shall abide by any System Standards related thereto. Franchisee shall give Franchisor unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Franchisor. Franchisee acknowledges that Franchisor owns Franchisee's customer relationship management software (currently Best Choice Roofing Job Nimbus CRM), including all customer data stored on such software. Franchisee also acknowledges that Franchisor shall own the license to the QuickBooks account that Franchisee must utilize for its Franchised Business and that Franchisor shall at all times have administrative level access to the QuickBooks account for any and all purposes. Franchisee must provide, at Franchisee's cost, Best Choice Roofing Job Nimbus CRM accounts and access to all of Franchisee's employees, including sales representatives who must have Best Choice Roofing Job Nimbus CRM accounts no later than ten (10) days after their employment by Franchisee.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Franchisor may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Franchisor may require Franchisee to reimburse Franchisor for any expenses.

7.9 Customer Evaluation and System Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining customer evaluations and/or reviewing Franchisee's compliance with the System, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs.

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS). Franchisee must issue all invoices, process all sales payments, and issue all receipts through our point of sale system. Franchsiee shall not collect cash from or otherwise accept any payments from customers in any other method, unless we approve of such other method in writing.

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs or customer incentive programs, designated by Franchisor, in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Best Choice Roofing business. Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty or customer incentive programs.

7.12 Maintenance and Repair. If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Franchisor may prescribe from time to time.

7.13 Vehicles. If Franchisee uses one or more vehicles for the Business, Franchisee shall ensure that all vehicles comply with all applicable System Standards, including without limitation required equipment and exterior décor, and Franchisor must approve of such vehicle(s) in writing prior to Franchisee's use of such vehicle(s). Franchisee shall keep all vehicles in good repair, clean, and free of dents and other damage, and shall ensure that the vehicles presents a first-class image appropriate to Franchisor's System. Franchisee shall use the vehicle solely for the Business.

7.14 Meetings. The Principal Executive must attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires. Annually, the Principal Executive must attend the National Annual Meeting. Franchisee shall pay Franchisor or Franchisor's designee the then-current attendance fee per attendee to attend the National Annual Meeting. Currently, the attendance fee is five hundred dollars ($500) per person, which includes boarding. Franchisee shall additionally be responsible for all travel and lodging costs associated with attending the National Annual Meeting except such costs that Franchisor, in its sole discretion,

chooses to include with the attendance fee. The Principal Executive, general manager and sales manager of the Franchised Business, and anyone with decision-making authority over the Franchised Business shall attend all of Franchisor's semi-annual sales training "Bootcamp" meetings. Franchisee shall pay Franchisor or Franchisor's designee the then-current attendance fee per attendee to attend each of the semi-annual Bootcamps. Currently, the attendance fee is five hundred dollars ($500) per person, which includes boarding. Franchisee shall additionally be responsible for all travel and lodging costs associated with attending the semi-annual Bootcamps except such costs that Franchisor, in its sole discretion, chooses to include with the attendance fee. If the Principal Executive fails to attend any meetings described herein without Franchisor's prior written permission, Franchisee shall pay Franchisor a fee of three thousand dollars ($3,000) per meeting that the Principal Executive fails to attend. Franchisee shall be solely responsible for all payroll and related expenses for its employees that attend these meetings.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

(i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000; and

(iii) Workers Compensation coverage as required by state law, but no less than $1,000,000 per occurrence and $2,000,000 in the aggregate.

(b) Franchisee's policies must list Franchisor and its affiliates as an additional insured and the policies must stipulate that Franchisor shall receive a 30-day prior written notice of cancellation. Franchisee shall provide Certificates of Insurance evidencing the required coverage to Franchisor prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Franchisor.

7.16 Suppliers and Landlord. Franchisee shall pay all vendors and suppliers in a timely manner. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Best Choice Roofing, the Business, or any particular incident or occurrence related to the Business, without Franchisor's prior written approval.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Franchisor's prior written approval.

7.19 No Other Businesses. If Franchisee is an entity, Franchisee shall not own or operate any other business except Best Choice Roofing businesses.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Franchisor, which will not be unreasonably withheld.

7.21 No Co-Branding. Franchisee shall not "co-brand" or associate any other business activity with the Best Choice Roofing Business in a manner which is likely to cause the public to perceive it to be related to the Best Choice Roofing Business.

7.22 No Subcontracting. Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a customer other than engaging subcontractors for the labor involved with installing roofing systems and engaging individuals as independent contractors in the ordinary course of business.

7.23 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Franchisor.

7.24 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Franchisor. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

7.25 Repossession. Franchisee shall not sell, sublease, scrap, donate, barter, or otherwise dispose of any franchise equipment without express consent from Franchisor. Franchisor shall have the first right to repossess or otherwise acquire any equipment used in the operation of Franchisee's Best Choice Roofing business, including but not limited to vehicles, parts, inventory, tools, and communication devices. Franchisor will compensate Franchisee and/or any lien holders for the repossession by Franchisor of the equipment described herein. Compensation may be Franchisee owes to Franchisor. Franchisor shall have full discretion and rights as it applies to repossessing any of Franchisee's equipment. Franchisor's rights described herein do not release Franchisee from any liens, leases, or financing agreements. Franchisor shall have no obligation to co-sign for any of Franchisee's equipment, and Franchisor will not assume any liabilities whatsoever resulting from Franchisee's failure to make payment on any equipment, including equipment that may have been repossessed or otherwise acquired by Franchisor.

7.26 Adherence to Codes. Franchisee must adhere to all national, state, and local or municipal building codes related to the installation of roofing systems. Franchisee hereby acknowledges that Franchisee is solely responsible for determining what building codes apply to roofing services within the Territory.

7.27 Contests. Franchisor shall have the right to institute or implement contests on behalf of the System, which Franchisee must participate in. If Franchisor institutes or implements any such contest and an employee of Franchisee is declared the winner of said contest, Franchisee shall be required to reimburse the costs of Franchisor and/or any approved supplier for said contest prize up to one thousand dollars ($1,000).

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any Inputs from Franchisor, Franchisor's designee, Required Vendors, Approved Vendors, and/or under Franchisor's specifications. Franchisor may change any such requirement or change the status of any vendor. To make such requirement or change effective, Franchisor shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If Franchisor requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will attempt to provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request. If Franchisor does not provide such written notification to Franchisee within 30 days after receipt of Franchisee's request, the proposed new vendor shall be deemed denied.

8.3 Alternate Input Approval. If Franchisor requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Franchisor may implement a centralized purchasing system and negotiate prices and terms with vendors on behalf of the System. Franchisor may receive rebates or payments from vendors in connection with purchases by franchisees. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

8.5 No Liability of Franchisor. Franchisor shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If Franchisor or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Franchisor or the vendor, supplier, or manufacturer of such item with respect to the recall, repair, or other remedy of such item.

ARTICLE 9. MARKETING

9.1 Implementation. Franchisee shall not use any marketing materials or campaigns (including point-of-sale materials, advertising, social media marketing, and sponsorships) that have not been approved by Franchisor. Franchisee shall implement any marketing plans or campaigns determined by Franchisor.

9.2 Use By Franchisor. Franchisor may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to Franchisor for such purpose.

9.3 Brand Fund. Franchisor reserves the right to establish a Brand Fund, and, if established:

(a) Separate Account. Franchisor shall hold the Brand Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor's other accounts.

(b) Use. Franchisor shall use the Brand Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: reimbursement or contribution towards contests established by Franchisor on behalf of the System; development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Fund (including the compensation of Franchisor's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Brand Fund).

(c) Discretion. Franchisee agrees that expenditures from the Brand Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Brand Fund will be spent at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Brand Fund.

(d) Surplus or Deficit. Franchisor may accumulate funds in the Brand Fund and carry the balance over to subsequent years. If the Brand Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the National Brand Fund on reasonable terms.

(e) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Brand Fund within 120 days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Market Cooperatives. Franchisor may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Territory has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Territory is established during the term of this Agreement, Franchisee shall become a member of such Market

Cooperative within 30 days. Franchisor shall not require Franchisee to be a member of more than one Market Cooperative. If Franchisor establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Franchisor. Franchisor may require the Market Cooperative to adopt bylaws or regulations prepared by Franchisor. Unless otherwise specified by Franchisor, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Franchisor will be entitled to attend and participate in any meeting of a Market Cooperative. Any Best Choice Roofing business owned by Franchisor in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Franchisor may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Franchisor's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Franchisor pursuant to Section 9.1. Franchisor may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% of Gross Sales.

(e) Enforcement. Only Franchisor will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Franchisor may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Brand Fund.

(g) Fees. Once a cooperative is formed, the Marketing Cooperative Contribution shall not be less than one percent (1%) of Gross Sales.

9.5 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Franchisor's approval of the market introduction plan at least 30 days before the projected opening date of the Business.

9.6 Internet Marketing. Franchisor has the exclusive right to conduct and manage all marketing and commerce on the internet or other electronic medium, including all websites and "social media" marketing. Franchisee shall not conduct such marketing or commerce, nor establish any website or social media presence independently, except as Franchisor may specify, and only with Franchisor's consent. Franchisor retains the right to approve any linking to or other use of

Franchisor's website. Franchisee must comply with any internet, online commerce and/or social media policy that Franchisor may prescribe.

9.7 Grand Opening Marketing. Franchisee must spend at least five thousand dollars ($5,000) on advertising the opening of Franchisee's Business. This amount must be paid to Franchisor's preferred online marketing vendor and spent between the four weeks before and the two weeks after the date Franchisee opens the Business.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Franchisor may require in the Manual or otherwise in writing, including:

(i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each month of Franchisor's fiscal year;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of Franchisor's fiscal year;

(iii) a monthly vendor aging report for the Business within 30 days after the end of each fiscal quarter of Franchisor's fiscal year; and

(iv) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document.

(b) Cost of Labor and Material. Franchisee shall provide costs of labor and materials report for the Business within 30 days after the end of each fiscal quarter.

(c) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Franchisor may request.

(d) Government Inspections. Franchisee shall give Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies

of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

10.5 Records Audit. Franchisor may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall also reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any month.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

11.2 Business Evaluation. Franchisor may accompany Franchisee or its personnel on any services performed for a customer to conduct an evaluation. If the Location will be open to the public or used for meeting customers or potential customers, Franchisor may enter the premises of the Business from time to time during normal business hours and conduct an evaluation. Franchisee shall cooperate with Franchisor's evaluators. The evaluation may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Franchisor may videotape and/or take photographs of the evaluation. Without limiting Franchisor's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an evaluation. If Franchisor conducts an evaluation because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed evaluation), then Franchisor may charge all out-of-pocket expenses plus its then-current evaluation fee to Franchisee.

11.3 Franchisor's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to Franchisor all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee.

11.7 Communication Systems. Franchisor shall own the email account(s) provided to Franchisee for use with the Franchised Business. Franchisee shall not use any other email account(s) for use with the operation of the Franchised Business. Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Franchisor to access such communications.

11.8 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

11.9 System Variations. Franchisor may vary or waive any System Standard for any one or more Best Choice Roofing franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If Franchisor discovers or becomes aware of any aspect of the Business which, in Franchisor's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Franchisor's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Franchisor shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Franchisor, and only in the manner as Franchisor may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Franchisor.

12.2 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Franchisor shall defend Franchisee (at Franchisor's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Franchisor will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor operating in any of Franchisee's Territory or the territory of any other Best Choice Roofing business operating on the date of termination or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Employees. If requested by Franchisor, Franchisee will (i) perform criminal background checks on its general manager and all other employees and (ii) cause its general manager and all other employees to sign Franchisor's then-current form of confidentiality and non-compete agreement.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Franchisor receives written notice of termination.

14.2 Termination by Franchisor.

(a) Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee does not have sufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Franchisor gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c) and fails to cure such breach to Franchisor's satisfaction within 30 days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(c) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Franchisor;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open for business within six (6) months of signing this Franchise Agreement;

(v) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vi) Franchisee abandons or ceases operation of the Business for more than 15 consecutive days;

(vii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;

(viii) Franchisee refuses to cooperate with or permit any audit or evaluation by Franchisor or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2.

(ix) the Business is operated in a manner which, in Franchisor's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Franchisor or otherwise);

(x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xi) Franchisor (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate);

(xii) Franchisee or any Owner is accused by any governmental authority or third party of any act that in Franchisor's opinion is reasonably likely to materially and unfavorably affect Franchisor's brand, or is charged with, pleads guilty to, or is convicted of a felony; or

(xiii) Franchisee or any Owner engages in conduct that is offensive, inappropriate or disrespectful towards Franchisor, its affiliates, or any of their respective representatives. Such conduct includes, but is not limited to, disparaging remarks, threats, harassment, discrimination, or any other behavior that, in the sole judgment of Franchisor, is inappropriate or offensive. The determination of what constitutes offensive or inappropriate conduct shall be within the sole and absolute discretion of Franchisor.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Franchisor based on the operation of the Business through the effective date of termination or expiration;

(ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and

(iv) cease doing business under any of the Marks; and

(v) return Best Choice Roofing proprietary equipment to Franchisor and cease using any intellectual property associated with Franchise.

14.4 Remove Identification. If Franchisee operates from a Location other than Franchisee's home, then within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Best Choice Roofing business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Franchisor may enter the Location to remove the Marks and de-identify the Location. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Franchisor.

14.5 Other Claims. Termination of this Agreement by Franchisor will not affect or discharge any claims, rights, causes of action or remedies (including claims for Franchisor's lost future

income after termination), which Franchisor may have against Franchisee, whether arising before or after termination.

14.6 Purchase Option. When this Agreement expires or is terminated, Franchisor will have the right (but not the obligation) to purchase any or all of the assets related to the Business at fair market value. To exercise this option, Franchisor must notify Franchisee no later than 30 days after this Agreement expires or is terminated. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Franchisor's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts which Franchisor paid or will pay to third parties to satisfy indebtedness owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.

14.7 Step-in Rights.

(i) In order to prevent any interruption of the operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, Franchisor has the right, but not the obligation, to step-in and designate an individual of its choosing (an "Interim Manager") for so long as Franchisor deems necessary and practical to temporarily manage the Franchised Business: (i) if Franchisee fails to comply with any provision of this Agreement and does not cure the failure within the time period specified in this Agreement or by Franchisor if not time is specified; (ii) if Franchisor determines in its sole judgment that the operation of the Franchised Business is in jeopardy; (iii) if Franchisor determines in its sole discretion that operational problems require that Franchisor operate the Franchised Business; (iv) if Franchisee abandons or fail to actively operate the Franchised Business; (v) upon Franchisee's death or disability; or (vi) if Franchisor deems Franchisee incapable of operating the Franchised Business ("Step-in Rights").

(ii) If Franchisor exercises its Step-in Rights: (i) Franchisor shall keep in a separate account all monies generated by the operation of the Franchised Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for Franchisor's representatives (including an Interim Manager) as well as Franchisor's other expenses incurred in exercising its rights; (ii) Franchisee agrees to hold harmless Franchisor and its representatives for all actions occurring during the course of such temporary operation and acknowledge that the Interim Manager will have no liability to Franchisee, except to the extent directly caused by its gross negligence or willful misconduct; (iii) Franchisee agrees to pay Franchisor its then current management fee; (iv) Franchisee agrees to pay Franchisor all of its reasonable costs and expenses, including, but not limited to, attorneys' fees incurred as a consequence of our exercise of the Step-In Rights; and (v) Franchisee acknowledges that the Interim Manager will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or Franchisee's owners for any debts, losses, or obligations the Franchised Business incurs, or to any of Franchisee's or the Franchised Business's creditors for any supplies, products, or other assets or services the Franchised Business

purchases, while Interim Manager manages it. Nothing contained herein shall prevent Franchisor from exercising any other right which it may have under this Agreement, including, without limitation, termination.

ARTICLE 15. TRANSFERS

15.1 By Franchisor. Franchisor may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Franchisor at least 60 days prior notice of the proposed Transfer, and without obtaining Franchisor's consent. In granting any such consent, Franchisor may impose conditions, including, without limitation, the following:

(i) Franchisor receives a transfer fee equal to $10,000;

(ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;

(iii) the proposed assignee is not a Competitor;

(iv) the proposed assignee executes Franchisor's then-current form of franchise agreement, which form may contain materially different provisions;

(v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;

(vi) Franchisee has paid all monetary obligations to Franchisor in full, and Franchisee is not otherwise in default or breach of this Agreement;

(vii) the proposed assignee and its owners and employees undergo such training as Franchisor may require;

(viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor;

(ix) Franchisee or the proposed transferee reimburses Franchisor upon receipt of Franchisor's invoice for any broker or other placement fees Franchisor incurs as a result of the Transfer; and

(x) the Business fully complies with all of Franchisor's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Franchisor, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Franchisor, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5. Franchisor may require Franchisee to pay its reasonable costs associated with completing a transfer for convenience of ownership, but Franchisee shall not be required to pay Franchisor the $10,000 transfer fee found in Section 15.2.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Franchisor's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3), Franchisor will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Franchisor a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Franchisor's receipt of such copy, Franchisor will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Franchisor may substitute cash for any other form of payment). If Franchisor does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Franchisor) Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Franchisor and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee's misconduct or negligence. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption by Franchisor. Franchisor may elect to assume the defense and/or settlement of any Action subject to indemnification under Section 16.1, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c), any controversy or claim arising out of or relating to this Agreement (including its formation) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. All individual owners of Franchisee shall be subject to arbitration as described herein. Franchisee expressly agrees that any claims Franchisee brings against Franchisor, its members, directors, officers, employees, agents, or representatives shall be exclusively resolved by arbitration as described in this paragraph. If Franchisor prevails on a motion to compel Franchisee's claims to arbitration, Franchisee shall pay Franchisor's attorneys fees, costs, and expenses related to such action. In any arbitration, the arbitrator must have no less than ten (10) years of experience practicing franchise law.

(b) Location. The place of arbitration shall be the city and state where Franchisor's headquarters are located, which is currently Hendersonville, Tennessee.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief. Specifically, notwithstanding the foregoing, Franchisor may seek injunctive relief for Franchisee's (and Franchisee's owners) alleged violation of the Covenants in Section 13 of this Agreement (and the Personal Guaranty as applicable to Franchisee's owners) in any court of competent jurisdiction, and Franchisee waives any bond requirement related to such injunctive relief.

(d) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages authorized by federal statute. In the event of termination of this Agreement prior to the expiration of the term due to Franchisee's default, Franchisor's actual damages will include its lost future income from Royalty Fees and other amounts that Franchisee would have owed to Franchisor but for the termination.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within one year from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Franchisor's headquarters is then located, which is currently Hendersonville, Tennessee. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and city/county where Franchisor's headquarters is then located, which is currently Hendersonville, Tennessee. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, Franchisee shall pay Franchisor's attorney fees, costs and other expenses of the legal proceeding if Franchisor prevails upon the central litigated issues and obtains substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee. Franchisor does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Franchisor's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Franchisor, and Franchisor's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Franchisor's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any

right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the State of Tennessee (without giving effect to its principles of conflicts of law) govern this Agreement, any Addenda, and all adversarial proceedings between the parties. The parties agree that any Tennessee law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to 105 Hazel Path Hendersonville, Tennessee 37075. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.11 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

Agreed to by:

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:
[if one or more individual(s)]:
_____

By: _____
Name: _____
Date: _____

_____
By: _____
Name: _____
Date: _____

[*if an entity:*]

_____

By: _____
Name: _____
Title: _____
Date: _____

(*Check if applicable*) At the same time as the parties execute this Agreement, they are also executing a Rider to Franchise Agreement pursuant to:

_____ Illinois
_____ Indiana
_____ Maryland
_____ Minnesota
_____ New York
_____ North Dakota
_____ Rhode Island
_____ Washington
_____ Other

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

Form of Ownership. Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

Owners. If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

Officers. If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of Best Choice Roofing Franchising, LLC, a Tennessee limited liability company ("Franchisor").

Background Statement: _____ ("Franchisee") desires to enter into a Franchise Agreement with Franchisor for the franchise of a Best Choice Roofing business (the "Franchise Agreement"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Franchisor to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Franchisor and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Franchisor, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Franchisor upon demand from Franchisor. Guarantor waives (a) acceptance and notice of acceptance by Franchisor of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e)all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled**.**

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Franchisor or its affiliates (except for

Confidential Information which Franchisor licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor operating in any of Franchisee's Territory or the territory of any other Best Choice Roofing business operating on the date of termination or transfer, as applicable

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Guarantor agrees that the existence of any claim it or Franchisee may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Tennessee (without giving effect to its principles of conflicts of law). The parties agree that any Tennessee law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

[Signatures on Following Page]

Agreed to by:

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

Attachment 3 to Franchise Agreement

FRANCHISOR ADDENDUM TO LEASE AGREEMENT

THIS FRANCHISOR ADDENDUM TO LEASE AGREEMENT (this "**Addendum**") is effective as of _____ (the "**Effective Date**"), and is being signed simultaneously with the Lease (the "**Lease**") dated _____ between _____ (the "Franchisee" or "**Tenant**") and _____ (the "**Landlord**") for the real property commonly known as _____ (the "**Premises**").

1. Incorporation and Precedence. This Addendum is incorporated into the Lease and supersedes any conflicting provisions in it. Capitalized terms not otherwise defined in this Addendum have the meanings as defined in the Lease.

2. Background. The Tenant will operate a Best Choice Roofing franchise at the Premises under a Franchise Agreement dated _____ (the "**Franchise Agreement**") with Best Choice Roofing Franchising, LLC (the "**Franchisor**"). By entering into a franchise relationship with the Franchisor, the Tenant has agreed to grant the Franchisor a security interest in all of the furniture, fixtures, inventory and supplies located in the Premises as collateral for: (a) the payment of any obligation, liability or other amount owed by Tenant or its affiliates to the Franchisor under the Franchise Agreement. The Franchise Agreement also requires that the Lease contain provisions that the Tenant is requesting the Landlord to include.

3. Access to Premises. During the term of the Lease, the Landlord and Tenant acknowledge and agree that the Franchisor will have unrestricted access to the Premises within normal business hours to inspect the Premises and Tenant's business operations in accordance with the Franchise Agreement.

4. Notice of Default. The Landlord will give written notice to the Franchisor (concurrently with the giving of such notice to the Tenant) of any default (a "**Default**") by the Tenant under the Lease by certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time to time:

Best Choice Roofing Franchising, LLC
105 Hazel Path
Hendersonville, Tennessee 37075-3886
Attention: Wayne Holloway

Such notice will grant the Franchisor the right, but not the obligation, to cure any Default, if the Tenant fails to do so, within ten (10) days after the expiration of the period in which the Tenant may cure the Default under the Lease. Such notice will also grant the Franchisor ten (10) days in which to exercise its right to assume the lease as described below.

5. Franchisor's Assumption of Lease. Within ten (10) days of receiving notice of a Default of the Lease by Tenant or upon the default of the Franchise Agreement by Tenant,

Franchisor may deliver written notice to Landlord to have the Lease assigned to the Franchisor or a wholly-owned affiliate as lessee (the "**Assignment Notice**"). Upon receiving such written notice, (i) the Franchisor or its wholly-owned affiliate will become the lessee of the Premises and will be liable for all past-due obligations under the Lease as well as obligations arising after the date of the Assignment Notice, and (ii) the Landlord will recognize the Franchisor or its wholly-owned affiliate as the lessee of the Premises effective as of the date of the Assignment Notice. Nothing herein shall be construed as a requirement of the Franchisor or an affiliate to assume the Lease.

6. Amendment. The Landlord and the Tenant will not cancel, terminate, modify or amend the Lease such that the Franchisor's rights under this Addendum are altered in any way without the Franchisor's prior written consent.

7. Benefits and Successors. The benefits of this Addendum inure to the Franchisor and to its successors and assigns.

8. Remaining Provisions Unaffected. Those parts of the Lease that are not expressly modified by this Addendum remain in full force and effect.

Intending to be bound, the Landlord and the Tenant sign and deliver this Addendum effective on the Effective Date, regardless of the actual date of signature.

"**LANDLORD**"	"**TENANT**"
_____	_____
_____	_____
By: _____	By: _____
Its: _____	Its: _____

EXHIBIT C
FORM OF GENERAL RELEASE

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of Best Choice Roofing Franchising, LLC, A Tennessee limited liability company ("Franchisor").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Franchisor, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the [State] Franchise Registration and Disclosure Law.

This Release does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

Agreed to by:

_____
Name: _____
Date: _____

EXHIBIT D

FINANCIAL STATEMENTS

UNAUDITED BALANCE SHEET DATED MARCH 31, 2024 AND UNAUDITED PROFIT AND LOSS STATEMENT FOR THE PERIOD FROM JANUARY 1, 2024 TO MARCH 31, 2024.

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

Best Choice Roofing Franchising LLC

Balance Sheet

As of March 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Bank of America	249,360.89
Hover	218.36
Roofr Inc	10.00
Total Bank Accounts	**$249,589.25**
Accounts Receivable	
Accounts Receivable	404,674.05
Total Accounts Receivable	**$404,674.05**
Other Current Assets	
Accumulated Amortization	-7,719.50
Franchising Development Cost	0.00
Pre-Paid Insurance	23,762.45
Prepaid Commissions - L/T	412,735.00
Prepaid Commissions - S/T	47,127.00
Territory Repurchase	15,000.00
Trust Account - Franchise.Law	5,675.00
Undeposited Funds	5,482.13
Total Other Current Assets	**$502,062.08**
Total Current Assets	**$1,156,325.38**
Fixed Assets	
Furniture and Equipment	1,546.24
Total Fixed Assets	**$1,546.24**
Other Assets	
Accumulated Amortization Lease Asset	-32,745.57
Lease Asset	80,616.75
Software Development	10,000.00
Total Other Assets	**$57,871.18**
TOTAL ASSETS	**$1,215,742.80**

Best Choice Roofing Franchising LLC

Balance Sheet

As of March 31, 2024

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	10,824.90
Total Accounts Payable	**$10,824.90**
Other Current Liabilities	
Defered Revenues - L/T	756,816.00
Deferred Revenue - S/T	75,978.76
Due to BCR Corp	24,966.77
Garnishments	-2,465.61
Out Of Scope Agency Payable	0.00
Tennessee Department of Revenue Payable	0.00
Total Other Current Liabilities	**$855,295.92**
Total Current Liabilities	**$866,120.82**
Long-Term Liabilities	
Lease Liability Long Term	47,871.18
Total Long-Term Liabilities	**$47,871.18**
Total Liabilities	**$913,992.00**
Equity	
Members Contributions	75,000.00
Members Equity	387,118.09
Opening Balance Equity	0.00
Net Income	-160,367.29
Total Equity	**$301,750.80**
TOTAL LIABILITIES AND EQUITY	**$1,215,742.80**

Best Choice Roofing Franchising LLC

Profit and Loss

January - March, 2024

	TOTAL
Income	
Bootcamp Fees	27,000.00
Client Contract Fee	28,379.00
Inbound Lead Fee	13,650.00
Royalty Fee	411,220.96
Sales	-500.00
Software Subscription Fee	6,795.00
Storm Lead Fee	13,680.00
Subscription Fees	10,031.49
Territory Fee	462,605.00
Total Income	**$972,861.45**
Cost of Goods Sold	
JobNimbus	14,575.73
Lead Services	23,560.03
Lead - Chat	36.00
Total Lead Services	**23,596.03**
Total Cost of Goods Sold	**$38,171.76**
GROSS PROFIT	**$934,689.69**
Expenses	
Advertising and Promotion	
Events	2,056.80
Confirmation Day	4,929.79
Trade Shows	8,745.00
Total Events	**15,731.59**
Marketing	4,547.06
Promotions/Contest	626.17
Total Advertising and Promotion	**20,904.82**
Bank Service Charges	1,427.20
Computer and Software Expenses	675.00
Dues & Memberships	27,801.52
Insurance Expense	6,903.05
Interest Expense Lease Asset	712.30
Leads Retail Management Fees	19,592.14
Merchandise	143.65
Office Expenses	
Computer and Internet Expenses	8,317.37
Office Supplies	4,830.33
Printing	829.73
Rent Expense	896.00
Lease Expense	13,287.70
Total Rent Expense	**14,183.70**

Best Choice Roofing Franchising LLC

Profit and Loss

January - March, 2024

	TOTAL
Utilities	869.70
Total Office Expenses	**29,030.83**
Payroll Expenses	
Earnings - Regular Wages	162,592.10
Employer Medical Expense	7,420.24
Employer Payroll Taxes	59,362.25
Payroll Billing Fee	1,481.75
Total Payroll Expenses	**230,856.34**
Professional Fees	1,868.17
Accounting Fees	6,600.00
Background Checks	1,006.22
Commissions - Placement	519,391.00
Consulting Fees	30,400.00
Legal	21,198.62
Total Professional Fees	**580,464.01**
Repairs and Maintenance	0.00
Taxes & Licenses	2,383.21
Team Building	88,037.10
Travel Expense	
Airfare	14,613.15
Fuel Expense	205.48
Hotel	52,850.06
Meals and Entertainment	7,088.80
Transportation Expense	10,993.10
Travel Other	375.22
Total Travel Expense	**86,125.81**
Total Expenses	**$1,095,056.98**
NET OPERATING INCOME	**$ -160,367.29**
NET INCOME	**$ -160,367.29**

Accrual Basis Monday, April 29, 2024 05:04 PM GMT-05:00

2/2

BEST CHOICE ROOFING FRANCHISING, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

BEST CHOICE ROOFING FRANCHISING, LLC
(A Limited Liability Company)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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Statements of changes in member's equity (deficit)	5
Statements of cash flows	6
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Citrin Cooperman & Company, LLP
Certified Public Accountants

50 Rockefeller Plaza
New York, NY 10020
T 212.697.1000 **F** 212.202.5107
citrincooperman.com

INDEPENDENT AUDITOR'S REPORT

To the Member
Best Choice Roofing Franchising, LLC

Opinion

We have audited the accompanying financial statements of Best Choice Roofing Franchising, LLC (a limited liability company) which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in member's equity (deficit) and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Best Choice Roofing Franchising, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Citrin Cooperman & Company, LLP

New York, New York
April 29, 2024

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

BEST CHOICE ROOFING FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Current assets:		
Cash	$ 363,179	$ 34,851
Accounts receivable, net	169,905	28,144
Franchise fees receivable, net	512,148	306,079
Prepaid commissions, current	291,509	47,127
Prepaid expenses	23,762	-
Total current assets	1,360,503	416,201
Operating lease right-of-use asset, net	57,819	-
Other assets:		
Prepaid commissions, net of current portion	2,457,417	412,735
Security deposit	3,500	-
Total other assets	2,460,917	412,735
TOTAL ASSETS	$ 3,879,239	$ 828,936
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	$ 33,103	$ 23,262
Due to member	16,158	16,158
Deferred revenue, current	517,155	114,417
Current portion of operating lease liability	40,444	-
Due to affiliates	6,056	-
Total current liabilities	612,916	153,837
Long-term liabilities:		
Deferred revenue, net of current portion	3,428,059	756,816
Operating lease liability, net of current portion	17,375	-
Total long-term liabilities	3,445,434	-
Total liabilities	4,058,350	910,653
Commitments and contingencies (Notes 5, 6 and 7)		
Member's deficit	(179,111)	(81,717)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 3,879,239	$ 828,936

See accompanying notes to financial statements.

BEST CHOICE ROOFING FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenues:		
Royalties	$ 956,435	$ 154,366
Franchise fees	288,398	48,935
Service fees	140,721	49,993
Other revenues	56,041	13,287
Total revenues	1,441,595	266,581
Selling, general and administrative expenses	1,538,989	423,298
NET LOSS	$ (97,394)	$ (156,717)

See accompanying notes to financial statements.

BEST CHOICE ROOFING FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF CHANGES IN MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Member's equity - January 1, 2022	$ -
Net loss	(156,717)
Member contribution	75,000
Member's deficit - December 31, 2022	(81,717)
Net loss	(97,394)
MEMBER'S DEFICIT - DECEMBER 31, 2023	$ (179,111)

See accompanying notes to financial statements.

BEST CHOICE ROOFING FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Net loss	$ (97,394)	$ (156,717)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Bad debt recovery	(1,603)	-
Provision for doubtful accounts	-	2,405
Non-cash lease expense	24,500	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(140,157)	(30,549)
Franchise fees receivable, net	(206,069)	(306,079)
Prepaid commissions	(2,289,065)	(459,862)
Prepaid expenses	(23,762)	-
Security deposit	(3,500)	-
Operating lease liability	(24,500)	-
Accounts payable and accrued expenses	9,841	23,262
Due to member	-	16,158
Due to affiliates	6,056	-
Deferred revenue	3,073,981	871,233
Net cash provided by (used in) operating activities	328,328	(40,149)
Cash provided by financing activities:		
Member contributions	-	75,000
Net increase in cash	328,328	34,851
Cash - beginning	34,851	-
CASH - ENDING	$ 363,179	$ 34,851

See accompanying notes to financial statements.

BEST CHOICE ROOFING FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Best Choice Roofing Franchising, LLC (the "Company") was formed on February 4, 2020, as a Tennessee-based limited liability company to sell franchises under the "Best Choice Roofing Franchising" name and system pursuant to a license arrangement with an entity affiliated through common ownership and control, Best Choice Roofing & Home Improvement, Inc. (the "Licensor"). Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the name "Best Choice Roofing," selling residential and commercial roofing and other property management related services to both residential and commercial customers.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of the Company's financial statements in conformity with U.S. GAAP 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 dates of the Company's financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Accounts and franchise fee receivables

Accounts and franchise fee receivables are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts and changes in the allowance are included in selling, general and administrative expenses on the statements of operations. The Company assesses collectibility by reviewing accounts and franchise fee receivables on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

Under the prior accounting rules, management considered the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends.

There was no allowance for doubtful accounts at December 31, 2023. The Company had $2,405 of allowance for doubtful accounts at December 31, 2022.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the member. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2023 and 2022.

Revenue and cost recognition

The Company recognizes revenue under ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). The Company derives substantially all its revenues from franchise fee revenue, royalty revenue, renewal fees, transfer fees, service fees and other revenue.

Franchise fees and royalties

Contract consideration from franchisees consists primarily of initial or renewal franchise fees, sales-based royalties, service fees, other revenue and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. Sales-based royalties and service fees are payable on a weekly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property in addition to a variety of activities relating to the opening of a franchise unit. Those costs would include site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under FASB Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02"), are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company determines if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a Company-branded franchise unit. The portion of pre-opening activities, if any, that is not brand specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and therefore accounted for as a separate performance obligation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees and royalties (continued)

All other pre-opening activities are determined to be highly interrelated to the use of the Company's intellectual property and therefore accounted for as a component of a single performance obligation which is satisfied along with the granting of certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand fund

The Company maintains a brand fund which is established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand fund and therefore will recognize the revenues and expenses related to the brand fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand fund are highly interrelated and therefore will be accounted for as a single performance obligation. As a result, revenues from the brand fund represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

When brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs will be accrued up to the amount of advertising fund revenues recognized.

Other revenues

The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Leases

The Company has an operating lease agreement for office space with a term of 2 years. The Company determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the balance sheets.

Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Long Lived Assets

The Company's long lived assets, including the Company's right of use assets, are reviewed whenever events or changes in circumstances indicate that the carrying amount of the asset in question may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, the Company recognizes an impairment loss based on the estimated fair value of the asset. The Company did not identify an impairment adjustment as of December 31, 2023 and 2022.

Advertising

Advertising costs are expensed as incurred and are included in "Selling, general and administrative expenses" in the accompanying statements of operations. Advertising costs amounted to $126,464 and $42,191 for the years ended December 31, 2023 and 2022, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Variable interest entities

In accordance with the provisions of FASB ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* ("ASU 2018-17"), FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entities, affiliated through common ownership and control, disclosed in Note 5, meet the conditions under ASU 2018-17, and accordingly, are not required to be included in the Company's financial statements.

Franchised outlets

The following data presents the status of the Company's franchised outlets as of December 31, 2023 and 2022:

	2023	2022
Franchises sold	25	11
Franchised outlets in operation	19	6
Affiliate-owned outlets in operation	-	-
Franchised outlets that ceased operations	2	-

Recently adopted accounting standards

In June 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)* ("ASC 326"), which along with subsequently issued related ASUs, requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired.

The Company's financial instruments include accounts receivable and franchise fees receivable. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The Company adopted ASC 326 using the modified retrospective method at January 1, 2023 and it did not have a material impact on the financial statements.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 29, 2024, the date on which these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in the financial statements.

NOTE 3. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by timing of recognition for the years ended, December 31, 2023 and 2022 are as follows:

	2023	2022
Point in time:		
Royalties	$ 956,435	$ 154,366
Franchise fees	98,000	28,000
Service fees	140,721	49,993
Other revenues	56,041	13,287
Total point in time	1,251,197	245,646
Over time:		
Franchise fees	190,398	20,935
Total revenues	$ 1,441,595	$ 266,581

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheets. A summary of significant changes in deferred revenue during the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Deferred revenue - beginning of year	$ 871,233	$ -
Revenue recognized during the year	(288,398)	(48,935)
Additions for initial franchise fees received	3,362,379	920,168
Deferred revenue - end of year	$ 3,945,214	$ 871,233

NOTE 3. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances (continued)

Deferred revenue is expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

Year ending December 31:	Amount
2024	$ 517,155
2025	405,155
2026	405,155
2027	405,155
2028	405,155
Thereafter	1,807,439
Total	$ 3,945,214

Deferred revenue at December 31, 2023 and 2022, consisted of the following:

	2023	2022
Franchise units not yet opened	$ 1,976,199	$ 575,867
Opened franchise units	1,969,015	295,366
Total	$ 3,945,214	$ 871,233

The direct and incremental costs, principally consisting of commissions, are included in "Prepaid commissions" in the accompanying balance sheets. The direct and incremental costs expected to be recognized over the remaining term of the associated franchise agreements at December 31, 2023, are as follows:

Year ending December 31:	Amount
2024	$ 291,509
2025	291,509
2026	291,509
2027	291,509
2028	291,509
Thereafter	1,291,381
Total	$ 2,748,926

NOTE 4. CONCENTRATIONS OF CREDIT RISK

Cash

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company's cash is placed with a major financial institution. At times, amounts held with this financial institution may exceed federally insured limits. Management believes that this policy limits the Company's exposure to credit risk.

NOTE 4. CONCENTRATION OF CREDIT RISK (CONTINUED)

Accounts and franchise fees receivable

Concentration of credit risk with respect to receivables is limited due to the number of franchisees in the Company's customer base and their geographic dispersion. As of December 31, 2023, three franchisees accounted for approximately 87% of the Company's accounts receivables and four franchisees accounted for 100% of the Company's franchise fees receivable. As of December 31, 2022, one franchisee accounted for approximately 83% of the Company's accounts receivables and four franchisees accounted for approximately 95% of the Company's franchise fees receivable.

NOTE 5. RELATED-PARTY TRANSACTIONS

License agreement

On February 4, 2020, the Company entered into a perpetual, exclusive license agreement with the Licensor for the use of the registered name "Best Choice Roofing" (the "license agreement"). Pursuant to the license agreement, the Company acquired the right to sell and operate "Best Choice Roofing" franchises and the right to earn franchise fees, royalties, and other fees from franchisees. There are no license fees payable to the Licensor for the years ended December 31, 2023 and 2022.

Due to member

In the ordinary course of business, the Company periodically advances funds to and receives funds from the member of the Company. No interest is charged on these advances. Advances to and from the member are noninterest bearing and have no specific date for repayment. Such amounts are expected to be satisfied within the next year. The balance due to member amounted to $16,158 at December 31, 2023 and 2022.

Due to affiliates

In the ordinary course of business, the Company periodically advances funds to and receives funds from its affiliates. No interest is charged on these advances. Advances to and from the affiliates are noninterest bearing and have no specific date for repayment. Such amounts are expected to be satisfied within the next year and, accordingly, have been classified as a current liability. The balance due to affiliates amounted to $6,056 at December 31, 2023. There was no balance due to affiliates at December 31, 2022.

NOTE 6. BRAND FUND

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand fund fees up to 3% of franchisees' reported gross sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. Through June 2022, the Company collected brand fund contributions of 1% of franchisees' reported gross sales. There were no brand fund contributions for the year ended December 31, 2023. For the year ended December 31, 2022, brand fund contributions were $6,453 and were included in "Other revenues" in the accompanying statements of operations. As of December 31, 2023 and 2022, the Company had expended all brand fund amounts collected on behalf of franchisees for advertising and marketing.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Operating lease

The Company also has an operating lease for certain office space expiring on May 31, 2025. Total operating lease expense, for the year ended December 31, 2023, was $34,361.

Maturities of lease liability as of December 31, 2023, are as follows:

Year ending December 31:	Operating Lease
2024	$ 42,000
2025	17,500
Net minimum lease payments	59,500
Less: interest	1,681
Present value of lease liability	57,819
Less: current portion	40,444
Lease liability, net of current portion	$ 17,375

Supplemental cash flow information related to leases was as follows:

	2023
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating lease	$ 24,500
Average lease terms and discount rates were as follows:	
Weighted-average remaining lease term (in years):	
Operating lease	1.42
Weighted-average discount rate (%):	
Operating lease	4.33

NOTE 7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingencies - Litigation

The Company records reserves for legal and other contingencies when information available to the Company indicates that it is possible that a liability has been incurred and the amount of the loss can be reasonably estimated. Predicting the outcomes of claims and litigation and estimating the related costs and exposures involve substantial uncertainties that could cause actual costs to vary materially from estimates. Legal costs incurred in connection with legal and other contingencies are expensed as they are incurred.

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the Company's financial condition or results of operations.

BEST CHOICE ROOFING FRANCHISING LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2021

BEST CHOICE ROOFING FRANCHISING LLC

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REESE
CPA LLC

Independent Auditor's Report

To the Member
Best Choice Roofing Franchising LLC
Hendersonville, Tennessee

Report on the Financial Statements

We have audited the accompanying balance sheets of Best Choice Roofing Franchising LLC as of December 31, 2021, and 2020 and the related statements of operations, member's equity, and cash flows for the year ended December 31, 2021, and the period from February 4, 2020 (Inception) through December 31, 2020, and the notes to 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 audit. We conducted our audit 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 consolidated 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 Best Choice Roofing Franchising LLC as of December 31, 2021, and 2020 and the results of their operations and their cash flows for the year ended December 31, 2021, and the period from February 4, 2020 (Inception) through December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Reese CPA LLC

Thornton, Colorado
May 28, 2022

15953 Fillmore Street • Thornton, CO 80602
Office: (303) 999-6485 • Fax (303) 284-5041

BEST CHOICE ROOFING FRANCHISING LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS:		
CURRENT ASSETS	$ -	$ -
TOTAL CURRENT ASSETS	-	-
NON-CURRENT ASSETS		
Intangible assets	49,384	49,384
TOTAL ASSETS	$ 49,384	$ 49,384
LIABILITIES AND MEMBER'S EQUITY:		
CURRENT LIABILITIES	-	-
TOTAL CURRENT LIABILITIES	-	-
NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	-	-
MEMBER'S EQUITY	49,384	49,384
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 49,384	$ 49,384

The accompanying notes are an integral part of these financial statements.

BEST CHOICE ROOFING FRANCHISING LLC
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND THE PERIOD
FROM FEBRUARY 4, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	2021	2020
REVENUES	$ -	$ -
TOTAL REVENUES	-	-
OPERATING EXPENSES		
Payroll and related expenses	47,327	49,384
Advertising and promotion	81	10,713
General and administrative	-	14,236
Professional fees	19,000	2,500
TOTAL OPERATING EXPENSES	66,408	76,833
OPERATING (LOSS)	(66,408)	(76,833)
OTHER INCOME (EXPENSE)	-	-
NET (LOSS)	$ (66,408)	$ (76,833)

The accompanying notes are an integral part of these financial statements.

BEST CHOICE ROOFING FRANCHISING LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021 AND THE PERIOD
FROM FEBRUARY 4, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	Member Contributions	Accumulated Earnings	Total Member's Equity
BALANCE, FEBRUARY 4, 2020 (INCEPTION)	**$ -**	**$ -**	**$ -**
Member contributions	126,217	-	126,217
Net (loss)	-	(76,833)	(76,833)
BALANCE, DECEMBER 31, 2020	126,217	(76,833)	49,384
Member contributions	66,408	-	66,408
Net (loss)	-	(66,408)	(66,408)
BALANCE, DECEMBER 31, 2021	$ 192,625	$ (143,241)	$ 49,384

The accompanying notes are an integral part of these financial statements.

BEST CHOICE ROOFING FRANCHISING LLC
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND THE PERIOD
FROM FEBRUARY 4, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	$ (66,408)	$ (76,833)
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-cash member contributions	66,408	126,217
Net cash provided by operating activities	-	49,384
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	-	(49,384)
Net cash used for investing activities	-	(49,384)
CASH FLOWS FROM FINANCING ACTIVITIES		
Member contributions	-	-
Net cash provided by financing activities	-	-
NET INCREASE IN CASH	-	-
CASH, BEGINNING	-	-
CASH, ENDING	$ -	$ -
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ -	$ -

The accompanying notes are an integral part of these financial statements.

BEST CHOICE ROOFING FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Best Choice Roofing Franchising LLC ("Company") was formed on February 4, 2020, (Inception) in the State of Tennessee as a limited liability company. The Company grants franchises for the right to operate a unique business that will be focused on residential and commercial reroofing of properties that have sustained damaged due to a wind or hailstorm. Business will be conducted using a proprietary system with distinctive operating procedures and standards from a single location.

Predecessor and Affiliate

Best Choice Roofing & Home Improvement, Inc. ("BCR&H") was incorporated on January 5, 2010, in the state of Tennessee and is our Predecessor and affiliate. BCR&H operates 41 locations.

The above predecessor and affiliate do not sell franchises in any other line of business and are not otherwise engaged in any other business activity.

The following table summarizes the number of locations open and operating for the period from February 4, 2020 (Inception) through December 31, 2020:

	2021	2020
Locations in operation, beginning	31	23
Locations opened	12	10
Locations terminated or closed	(2)	(2)
Locations in operation, ending	41	31
Franchised locations	-	-
Affiliate owned locations	41	31

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

A summary of significant accounting policies follows:

Use of Estimates

Preparation of the Company's financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash or cash equivalents as of December 31, 2021, and 2020.

Accounts Receivable

Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing. Management evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any accounts receivable or allowance for doubtful accounts as of December 31, 2021, and 2020 and did not charge-off any accounts receivable during the year ended December 31, 2021, and period from February 4, 2020 (Inception) through December 31, 2020.

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years). The Company had no property, plant & equipment at December 31, 2021, and 2020.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with infinite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. The Company has recorded an intangible asset for franchise development costs of $49,384 as of December 31, 2021, and 2020. Amortization of these costs will begin at the point of the Company's first franchise sale.

Income Taxes

The member of the Company has elected to be taxed as a Disregarded Entity under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax return of its member and no provisions for federal or state taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's member.

Revenue Recognition

The Company's revenue mainly consists of franchise fees and royalties and is recognized as revenue under the guidance of ASC 606 "Contracts with Customers".

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently five years. The Company has no revenue from initial fees during the year ended December 31, 2021, and the period from February 4, 2010 (Inception) through December 31, 2020.

When a franchisee purchases a franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("the license"). The license is symbolic intellectual property. Revenues related to the license are continuing royalties are 4.75% of gross revenues per week, subject to minimum royalties as defined in the franchise contract. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed weekly and are recognized as revenue when earned. The Company has no revenue from royalties during the year ended December 31, 2021, and the period from February 4, 2020 (Inception) through December 31, 2020.

National Marketing Fund Fee

The Company has the right to collect a national marketing fund fee of up to 3% of the gross revenues of each franchise location. The Company had no contributions to the fund for the period from February 4, 2020 (Inception) through December 31, 2020.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the year ended December 31, 2021, and the period from February 4, 2020 (Inception) through December 31, 2020, was $81 and $3,444.

Recently Issued Accounting Pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 2 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 3 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through May 28, 2022, the date on which the financial statements were available to be issued.

EXHIBIT E

MANUAL TABLE OF CONTENTS

BCR Best Choice Roofing

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EXHIBIT F

CURRENT AND FORMER FRANCHISEES

Franchisees Opened as of December 31, 2023

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

Franchisee	Address	Phone Number	Number of Territories
BCR Contractors of Arkansas LLC	1900 N Bryant St. Ste. 200 Little Rock, AR 72207	870-838-3077	3
Keith William Rowlands	8272 Sunset Blvd, Ste. B3 West Hollywood, CA 90046	310-439-5300	1
Sean Fey	3755 N Rampart Range Rd. Littleton, CO 80125	954-913-6911	5
Swohn Ventures LLC	1604 Newport Gap Pike Wilmington, DE 19808	302-256-0649	2
Renegade Sales LLC	109 West Central Ave. Valdosta, GA 31601	229-800-8222	1
Harrison Fisher	3012 W Pinhook Rd. Lafayette, LA 70508	337-523-2802	2
Felipe Alfanso Egoavil & Erica Johanna Parodi	1938 Franklin Street, Ste. 104 Detroit, MI 48207	313-352-8666	1
VTO Holdings LLC	9498 SW Barbur Blvd. Ste. 310 Portland, OR 97129	503-752-4202	2
Thomas John McFarland	1004 W. 9ths Ave, Suite 220 King of Prussia, PA 19460	206-375-9168	5
Best Choice Roofing Jackson LLC	367-B N Parkway Ste. 3 Jackson, TN 37040	931-305-8283	1
Bryan Merrell	5725 West Highway 290, Ste. 204 Austin, TX 78735	307-421-5849	2
AMO Holdings LLC*	13601 Preston Rd Ste 680E Dallas TX 75240	214-888-8153	4
Eric McArthur Lee	305 Regency Pkwy, Ste. 605 Mansfield, TX 76063	817-592-3368	2
Robert Wolf**	2150 S Central Expy. # 200 McKinney, TX 75070	714-450-5265	4
Murphy Family Investments, Inc.	2851 Joe DiMaggio Blvd, Unit 26 Round Rock, TX 78665	254-563-5200	3
Kangarooms LLC	8207 Callaghan Rd. Ste. 410 San Antonio, TX 78230	210-689-8968	3
LB Roofing Ventures, LLC	24900 Pitkin Rd., Ste. 305 Spring, TX 77386	281-323-4122	9
Douglas Anthony &	1451 N 200 E, Suite 210	435-232-3885	5

Tyler Crosbie	Logan, UT		

*We are in the process of terminating this franchisee as of the Issuance Date of this Disclosure Document.
**This franchisee has been terminated as of the Issuance Date of this Disclosure Document.

Franchisees Signed but not yet Opened as of December 31, 2023

Franchisee	**Address**	**Phone Number**	**Number of Territories**
RFR Roofing, LLC	26240 Equity Dr. Daphne, AL 36526	601-580-3258	2
Gordon Donnelly	Santa Ana, CA	774-277-2041	1
Pankaj Meshram	1150 Kelly Johnson Blvd, Ste 102 Colorado Springs, CO 80920	303-506-1194	2
MTJ Roofing LLC	3501 SW Corporate Pkwy, Suite B Palm City, FL 34990	516-455-3535	2
Tyler Sullivan Theune	5401 Corporate Woods Dr, Ste 900 Pensacola, FL 32504	334-791-1773	2
Wes Tischler	3295 W Elder St, Suite 206 Boise, ID 83705	208-515-9415	2
Alexander Pena	10551 Barkley, Suite 403 Overland Park, KS 66212	702-808-0612	2
Carlyle Enterprises, LLC	109 Crestwood Blvd, Suite A Covington, LA 70433	504-812-4122	3
Kingdom Roofing LLC	6600 City West Pkwy, Suite 375 Eden Prairie, MN 55344	531-721-8615	7
Great New Heights LLC	2480 Executive Dr, Suite 114-116 St. Charles, MO 63303	408-348-0714	3
NORTH EAST HABITAT LLC	409 Joyce Kilmer Ave, Suite 221 New Brunswick, NJ 08901	907-743-0593	3
Best Roofing Corp	555 E. Boston Post Rd, 1st Floor Mamaroneck, NY 10543	713-503-0623	3
Factor Home Services LLC	701 Technology Dr, 2nd Floor Canonsburg, PA 15317	412-626-1792	2
Integrity Businesses LLC	3218 I.H. 30, Suite 100 Mesquite, TX 75150	678-333-8751	2

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number 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 have not communicated with us within 10 weeks of the disclosure document issuance date:

Franchisee	**Address**	**Phone Number**
Zach Herron	519 W Washington Ave. Jonesboro, AR 72401	931-278-0349
Best Choice Roofing North LLC	2445 Directors Row, Ste. A Indianapolis, IN 46421	502-645-5755
Robert Wolf	2150 S Central Expy. # 200 McKinney, TX 75070	714-450-5265

EXHIBIT G

STATE ADDENDA TO DISCLOSURE DOCUMENT

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.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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 OFFERING CIRCULAR.

OUR WEBSITE, www.bestchoiceroofing.com, 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 www.dfpi.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

   Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

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

   The franchisor has posted a surety bond in the amount of the initial franchise fee. The Department of Financial Protection and Innovation has required this financial assurance obligation based on the franchisor's financial position.

3. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign 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 a 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 the franchisee 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.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Hendersonville, Tennessee, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Tennessee. This provision may not be enforceable under California law.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

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 A 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.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: _____

2. A proposed registration or filing is or will be shortly on file in the following states: _____

3. No states have refused, by order or otherwise to register these franchises.

4. No states have revoked or suspended the right to offer these franchises.

5. The proposed registration of these franchises has not been withdrawn in any state.

6. Payment of the initial fees shall be deferred until Franchisor has completed its pre-opening obligations to Franchisee and Franchisee has opened for business.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Illinois only, this Disclosure Document is amended as follows:

Item 5 of the Franchise Disclosure Document is amended to state that, "The franchisor has posted a surety bond in the amount of $600,000. The Illinois Attorney General's Office has required this financial assurance obligation due to the franchisor's financial condition."

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 document executed in connection with the franchise.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

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

The following is added to Item 5:

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, the franchisor has posted a surety bond in the amount of $432,000.

The following is added to Item 17:

> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> You may bring an action under such law within three years after the grant of the franchise.
>
> You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
>
> The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.
>
> This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Item 5 and 7 are amended as follows: The franchisor has posted a surety bond in the amount of the initial franchise fee. The State of Minnesota has required this financial assurance obligation due to the franchisor's financial condition.

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

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 PROSPECTIVE 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 PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT 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.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this 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 THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

> Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:
>
> A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
>
> B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
>
> D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in

the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

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

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

The franchisor will defer collecting the initial franchise fee until the franchisor has performed all pre-opening obligations owed to the franchisee and the franchisee has commenced doing business.

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following is added to the *Special Risks* page:

> "Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $117,410 to $193,010. This amount exceeds the franchisor's member's equity as of December 31, 2023, which is -$179,111."

The following is added to Item 5:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees 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):

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do 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.
>
> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

> Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit H for Washington Addendum to the Franchise Disclosure Document, Franchise Agreement, and Related Agreements)

EXHIBIT H

STATE ADDENDA TO FRANCHISE AGREEMENT

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Best Choice Roofing Franchising, LLC, A Tennessee limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. Surety Bond. The franchisor has posted a surety bond in the amount of $600,000. The Illinois Attorney General's Office has required this financial assurance obligation due to the franchisor's financial condition.

3. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

4. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

5. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Best Choice Roofing Franchising, LLC, A Tennessee limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the protected territory granted the franchisee by the franchise agreement; or, if no protected territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the protected area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Best Choice Roofing Franchising, LLC, A Tennessee limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Surety Bond. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, the franchisor has posted a surety bond in the amount of $432,000.

3. No Release of Liability. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

4. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. No Waiver of State Law. 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.

7. **Arbitration.** This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive trade practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Best Choice Roofing Franchising, LLC, A Tennessee limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Minnesota Act" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

- The franchisor has posted a surety bond in the amount of $600,000. The State of Minnesota has required this financial assurance obligation due to the franchisor's financial condition.

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state "No

action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Best Choice Roofing Franchising, LLC, A Tennessee limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Franchisor or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3 Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Best Choice Roofing Franchising, LLC, A Tennesee limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

(1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.

(2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee's business.

(3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.

(5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

(6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.

(7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.

(8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.

(9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

(11) Deferral: Franchisor will defer collecting the initial franchise fee until Franchisor has performed all pre-opening obligations owed to Franchisee and Franchisee has commenced doing business.

4. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Best Choice Roofing Franchising, LLC, A Tennessee limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

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.

Use of Franchise Brokers. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information

provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The undersigned does hereby acknowledge receipt of this addendum.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BEST CHOICE ROOFING FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

STATE EFFECTIVE DATES

The following States require that the Franchise Disclosure Document be registered or filed with the State, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	June 13, 2023
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.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Best Choice Roofing 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. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Best Choice Roofing 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

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

Name	Principal Business Address	Telephone Number
Wayne Holloway	105 Hazel Path, Hendersonville, Tennessee 37075	615-637-3341
Don Helphrey	105 Hazel Path, Hendersonville, Tennessee 37075	615-637-3341
Franchise FastLane	14301 First National Parkway, Ste 312, Omaha, NE 68154	531-333-3278

Issuance Date: April 29, 2024

I received a disclosure document dated April 29, 2024 that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement
C. Form of General Release
D. Financial Statements
E. Manual Table of Contents
F. Current and Former Franchisees
G. State Addenda to Disclosure Document
H. State Addenda to Franchise Agreement

Signature: _____
Print Name: _____
Date Received: _____

Keep This Copy For Your Records

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Best Choice Roofing 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. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Best Choice Roofing 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

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

Name	Principal Business Address	Telephone Number
Wayne Holloway	105 Hazel Path, Hendersonville, Tennessee 37075	615-637-3341
Don Helphrey	105 Hazel Path, Hendersonville, Tennessee 37075	615-637-3341
Franchise FastLane	14301 First National Parkway, Ste 312, Omaha, NE 68154	531-333-3278

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A. State Administrators and Agents for Service of Process
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C. Form of General Release
D. Financial Statements
E. Operating Manual Table of Contents
F. Current and Former Franchisees
G. State Addenda to Disclosure Document
H. State Addenda to Franchise Agreement

Signature: _____
Print Name: _____
Date Received: _____

Return this copy to us.
Best Choice Roofing Franchising, LLC
105 Hazel Path, Hendersonville, Tennessee 37075