

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	36.69%	3,208,321	5,743,808	921,251 10 (50%)
Sub-Contractor Labor ⁵	1,525,953	18.39%	1,298,163	2,963,089	516,674 8 (40%)
Total Cost of Construction	4,570,327	55.07%	4,506,484	8,706,897	1,437,925 9 (45%)
Gross Profit	3,728,102	44.93%	3,615,126	6,768,377	994,550 9 (45%)
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 (25%)
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 Expenses¹⁰	1,035,362	12.48%	1,010,146	1,930,786	303,490 9 (45%)
Average Gross Profit Less Disclosed Expenses¹¹	2,692,740	32.45%	2,604,980	4,837,591	691,060 8 (40%)
Estimated Expenses¹²					
Estimated Contract Entry Fees ¹³	7,950	0.50%			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	7.60%			
Average Gross Profit Less Disclosed & Estimated Expenses¹⁸	2,096,600	25.27%			
Estimated Sales Manager Base Salary & Bonuses ¹⁹	83,899	1.00%			
Estimated Average Gross Profit Less Disclosed & Estimated Expenses - Owner-Operator²⁰	2,012,701	24.25%			

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.