



Franchise Disclosure Document [FDD]

Open Doors, Inc.
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The Franchise offered is for the operation of a garage door sales, installation, repair and service business incorporating our proprietary methods and techniques and featuring a variety of products for residential properties. This is a service-oriented business that provides onsite consultations along with garage door design services, sales, installation, repair and ongoing maintenance services dedicated to providing customers with a one-stop solution for all their garage door needs, under the name “Access Garage Doors®” The total investment necessary to begin operation of an Access Garage Doors franchise ranges from ~~\$55,995~~\$59,995 to ~~\$105,555~~\$170,555. This included \$20,000 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least fourteen (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:

Aaron Jesse Cox, President
Open Doors, Inc.
7335B Hixson Pike
Hixson, Tennessee 37343
877-267-3687

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: ~~March 7~~April 30, 20242025

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 mediation, arbitration and/or litigation only in Tennessee. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate the Franchisor in Tennessee than in your own state.
2. **Short Operating History.** This 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.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment. ~~Franchise Disclosure Document (FDD)~~
~~Open Doors, Inc.~~

In addition to laws and regulations that apply to businesses generally, there are consumer protection laws that exist in several states. Certain requirements, including compliance with federal and/or state solicitation, telemarketing (for example, the “do not call” registry), email solicitation, privacy and consumer credit and collection laws are generally applicable to all businesses that sell directly to the end-user. You must comply with all local, state and federal laws that apply to your Business and to the public. Those laws include Equal Employment Opportunity Commission (“EEOC”), Federal Trade Commission (“FTC”), occupational hazards and health, including the Occupational Safety and Health Administration (“OSHA”), pricing laws and employment laws. Such employment laws include regulations concerning wage rates, mandated employee benefits, employment taxes, worker safety, unemployment compensation, workers’ compensation, child labor practices, disabled employees and discrimination in employment practices. There are also many state and local laws and regulations detailing how to define independent contractors for different purposes, such as tax, effect of applicable employment laws, unemployment compensation and workers’ compensation that you are responsible for knowing. You will be subject to the Americans with Disabilities Act which prohibits practices that discriminate against physically and mentally challenged individuals regarding access to public accommodations and employment opportunities. There may be other laws and codes applicable to your business and we urge you to make further inquiries about those laws and codes.

It is your sole responsibility, to investigate, satisfy and remain in compliance with all local, state and federal laws and regulations in addition to obtaining and keeping in force all necessary certifications, licenses, permits and registrations required by public authorities, since they vary from place to place and can change over time. You must know all laws and regulations in your locality and must make sure that you and all your employees who work in your Business comply with such laws and regulations as well as obtain any certifications, licenses, permits or registrations required by your locality for performing work in your Business. You should consider both their effect on your Business and the cost of compliance. Although we monitor legal requirements that affect our franchisees and we make our information available to you, because of the number of potential state and local issues we cannot guarantee that it will be complete, current and accurate. Therefore, we recommend that you consult with your attorney and/or tax advisor for an understanding of all the laws and regulations applicable to your specific Business and in complying with them.

We have not offered franchises in other lines of business in the past. We do not engage in any business other than the offer of franchises.

ITEM 2 **BUSINESS EXPERIENCE**

Chief Executive Officer: Aaron Jesse Cox (“Jesse”): Jesse is the founder of Access Garage Doors® business model, serving as our Chief Executive Officer since our formation in March 2019. From September 2005 to present, he has been serving as CEO for our affiliate, Access Garage Doors Co., based out of Hixson, Tennessee while also serving as President for our parent company J Cox Enterprises.

~~Chief Financial~~Executive Officer: David Neal: David has been serving as an Executive Officer ([f/k/a Chief Financial Officer](#)) since our formation in March 2019. From June 2007 to present, he has been serving as ~~Executive Officer~~[CFO](#) for our affiliate, Access Garage Doors Co. based out of Hixson, Tennessee.

[Executive](#) Director of Operations: Chris Evans: Chris has been serving as our [Executive](#) Director of Operations since ~~our formation in March 2019~~[2021](#). From December 1, 2014 to ~~present~~[2021](#), he served

as General Manager for our affiliate, Access Garage Doors Co. based out of ~~Hixson~~Chattanooga, Tennessee.

Executive Director of Marketing and Sales: Allan Gadbaw: Allan has served as our Executive Director of Marketing and Sales since February 2025 leading systemwide development and management of marketing. He served as Sales and Marketing Specialist for the following companies: (1) Access Garage Doors of Chattanooga based out of Hixson, Tennessee (November 2024- January 2025); (2) AFS Foundation Repair Specialist based out of Soddy-Daisy, Tennessee (November 2023- November 2024); (3) West Shore Home based out of Chattanooga, Tennessee (December 2021-November 2023; (4) On Trac Garage Doors based out of Chattanooga, Tennessee (July 2021-December 2021) and (5) Terminix based out of Chattanooga, Tennessee (October 2013- July 2021).

Director of Sales: Mitchell Westlund: Mitchell has served as our Director of Sales since March 2023 and manages our franchise ownership inquiries. From February 2008 to March 2023, he was a Sales Manager for CLEC Management based out of Littleton, Colorado.

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

~~Aaron Jesse Cox, our President, filed as an individual for protection under Chapter 7 of the U.S. Bankruptcy Code (U.S. Bankruptcy Court, Eastern District of Tennessee, Case No.1:14 bk 13310) on 07/31/14 due to unexpected personal expenses. The case was discharged on November 13, 2014. Aaron's bankruptcy was not in any way affiliated with Open Doors, Inc. or any of its parents, predecessors and affiliates.~~

No ~~other~~ person previously identified in Items 1 or 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code ~~required to be disclosed in this Item~~within a ten-year reporting period immediately before the issuance of this Disclosure Document.

ITEM 5 **INITIAL FEES**

The Initial Franchise Fee for a single Franchise (the "Initial Franchise Fee") is \$20,000 for an Access Garage Doors in a protected area. The protected area of a Franchise is determined once a location from where you want to operate your Business is identified and approved by us. The Initial Franchise Fee includes: the development of a custom local affiliate website Franchise housed within our national website, web server setup for your website that will include scheduling functionality and access to our intranet system that houses our proprietary educational platform and provides ongoing announcements and templates for print and marketing materials to support your Business; access to a self-study program (and related materials) to be completed prior to attending our initial training program; our proprietary Operations Manual, a comprehensive ten-day training program at corporate headquarters and up to three days of assistance and guidance at your location for either pre-opening or grand opening assistance. The Initial Franchise Fee will include the issuance of up to three (3) electronic mail addresses for the

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
			forms, and in a manner we determine.
Additional Training	Up to \$500 per person per day for in-person training plus cost of third-party charges.	At time training is scheduled and/or additional assistance is requested by you.	<p>While the Initial Franchise Fee includes the cost of our initial training program, the Initial Franchise Fee only covers training for up to three individuals. See Item 11.</p> <p>Additionally, this fee is applicable upon an approved transfer of the Franchise for the initial training program and additional training.</p> <p>Additional training only available for managersGeneral Managers, Operations Managers and owners.</p>
Interest and Late Charges	1.5% per month or maximum rate allowed by law provided the interest rate cannot exceed the maximum legal rate.	After due date of fees.	See Note 3
Audit Expenses	Cost of Audit Fees plus interest at 18% per annum (1.5% per month) up to the maximum interest allowed by law.	Ten days after receipt of audit report	Payable only if you understate Gross Revenues by 2% or more. We expect the cost to be between \$8,000 - \$10,000 unless your financial records are not well kept.
Costs and Attorney's Fees	Will vary under circumstances.	As Incurred	Payable as incurred by us in obtaining injunctive relief for the enforcement of any section of the Franchise Agreement.
Indemnification	Will vary under circumstances.	On Demand	As Incurred; See Note 4

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Website, Edits, Updates, Changes Maintenance, Promotion Fee	Currently \$65-\$125 per hour that may be necessary to update and/or promote your website.	As Incurred	Payable to us, our affiliates and/or approved vendors. See Note 5
Electronic Mail	Our cost for any additional electronic mail addresses requested beyond three (3) included with Initial Franchise Fee.	As Incurred	Payable to us, our affiliates and/or approved vendors. See Note 5
Operations Software	Currently \$371.25 <u>\$486</u> monthly for mandatory operations software. <u>Current Technology Fee Schedule for Annual Increase</u> <u>Year 1 - \$486 (November 2024-October 2025)</u> <u>Year 2 - \$534 (November 2025-October 2026)</u> <u>Year 3 - \$587 (November 2026-October 2027)</u>	As Incurred	Payable to us, our affiliates and/or approved vendors. See Note 5a
Product, Vendor and Equipment Testing Fee	\$100 per product or vendor. \$300 for equipment testing	On Demand	Payable to us. See Note 6
Transfer Fee	A flat fee of \$2,500 when you transfer a part of the Business (less than 49% of all the assets) or a flat fee of \$10,000 when you transfer all the Business (more than 49% of all the assets). If transferee came from our lead database, you may be required to pay the then-current referral fee to us plus any costs	At the time the transferee signs the Franchise Agreement in effect for transfer or sale.	Payable to us when the Franchise Agreement is signed or a material portion of the assets in the Business is transferred.

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
	associated with applicable broker fees.		
Renewal Fee	None	At the time of the five year renewal period for each franchise.	For the same protected area.
Resale Fee	Varies	On Demand	If you ask and we agree to assist you in finding a buyer for your Business, you pay us a fee to cover our costs and expenses, including time committed by our personnel.
Temporary Management	Actual Costs	On Demand	Upon death or disability, a manager <u>General Manager</u> who completed our training, must be employed to operate the Business. If not done, we can appoint a manager <u>General Manager</u> for up to ninety (90) days, renewable up to one year. All expenses, including manager <u>General Manager</u> compensation, travel and living expenses will be charged against operating revenues. We also charge the amount of our expenses against those revenues.
Conference Fee	Conference fee, travel, transportation, lodging, meals and incidental expenses in addition to compensation of the people you send to any conferences. Will vary under circumstances. There will be a registration fee for conferences not to	As Incurred	As Incurred and payable to third parties and us. Conference fee will be assessed to you for one person not to exceed \$500 regardless of whether you attend conference.

sale of franchises. There is no fiduciary relationship between us and you concerning any System Advertising Fee contribution. System Advertising Fees must be paid by direct deposit from Franchisee's account to us. All System Advertising Fees are payable only to us and collected only by us. System Advertising Fees are uniformly imposed on all franchisees. System Advertising Fees are non-refundable.

Note 3: Interest and late charges begin to accrue from the due date of payment. You must also pay any damages, expenses, collection costs and reasonable attorney fees we incur when you do not make the required payments, provided no interest shall exceed the maximum legal rate. All interest and late charges are: payable only to us, uniformly imposed and non-refundable.

Note 4: You must protect, defend, indemnify and hold us harmless against any claims, lawsuits or losses arising out of your operation of the Franchised Business. If you default under the Franchise Agreement and we engage an attorney for collection or enforcement, you must pay all our damages, legal fees and costs to the extent permitted by law. All indemnification costs are payable only to us and collected only by us. Indemnification costs will vary depending on the amount of damages, and attorneys' fees that we incur to collect any amounts due and owing by you according to the Franchise Agreement or enforce the Franchise Agreement. Indemnification costs are non-refundable (Franchise Agreement Section XVIII).

Note 5: We, our affiliates and/or our approved vendors will complete all changes, updates and promotions to your website. Any requests for changes or updates to the content of your website and/or any type of website promotion you wish to do must be approved by us in writing and performed by us, our affiliates and/or our approved vendors. We will respond to you in writing within thirty (30) days of our receipt of your request for all website changes. The website maintenance and promotion fee is currently \$65-\$125 per hour and is payable to us, our affiliates, or our approved vendors. We will provide you with one hour of website editing monthly without charge. The hourly fee noted above applies to all times. We may change our website maintenance and promotion fee requirement upon ninety (90) days' notice to you and you will be required to adhere to our new website maintenance and promotion fee requirements at your own expense. The fees may be changed in response to any increase in the United States Consumer Price Index, if we choose to offer additional features, if we choose to provide additional web pages or if we believe that conditions in the overall economy or in the market for services warrant any change in fees. Website maintenance and promotion fees are non-refundable and are uniformly imposed and collected only by us, our affiliates, or our approved vendors (Franchise Agreement Section X.E).

Your initial franchise fee includes the issuance of up to three e-mail addresses at no additional cost. You will be charged our cost for any additional e-mail addresses requested beyond the first three (Franchise Agreement Sections IX.A and X.E).

Note 5a: We currently mandate that you use our designated vendor for operations software. Neither we nor our affiliates have any ownership interest in the operations software vendor. Currently, the monthly fee is ~~\$299~~486, plus tax. The monthly ~~cost permits franchisees unlimited users~~fee is expected to be adjusted annually in November with the following monthly fee schedule expected: \$486 (November 2024-October 2025); \$534 (November 2025-October 2026); and \$587 (November 2026-October 2027). The subscription permits Franchisee up to five (5) technician users. For additional technicians, the current monthly subscription fee is \$101 for each additional technician over five (5). This fee is subject to change. (Franchise Agreement Section X.HG).

Note 6: You will be required to obtain our written approval for any product, piece of equipment, vendor and/or supplier that you wish to use or sell in the operation of your Business (as described in Item 8) and you will be responsible for paying us an assessment fee. This fee is \$100 for any single product, vendor

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Vehicle See Note 6	\$0	\$10,000 <u>75,000</u>	As incurred	Before Opening	Payable to third parties
Vehicle Graphics See Note 7	\$300	\$1,200	Lump sum	Before Opening	Payable to us, our affiliates or approved vendors.
Staffing See Note 14	\$0	\$9,500		Over the course of three (3) months	Salaries and Expenses
Uniforms See Note 8	\$250	\$350	Lump sum	Before Opening	Payable to us, our affiliates or approved vendors.
Insurance See Note 9	\$2,400	\$6,500	As incurred	Before Opening	Payable to third parties
Travel, Lodging and Meals for Initial Training Program See Note 15	\$1,515	\$3,000	As incurred	Before Opening	See Item 11
Business Licenses, Permits, Certifications, Professional Fees and Association Dues See Note 16	\$200	\$1,900	As incurred	Before Opening	Appropriate licensing authorities and third parties.
Operating Expenses and Additional Funds See Note 10	\$3,000	\$10,000	As incurred	Spent over the course of the first three (3) months	
Total	\$	\$ 105,555 <u>17</u>			

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
	55,995 <u>59,995</u>	<u>0,555</u>			

Except as provided below, other than security deposits and utility deposits, all payments and fees described in this Item 7 are non-refundable.

Note 1: You must purchase computers or laptops, tablets, software, router, modem, printers, mobile phones and a telephone system for the operation of your Business as specified in the operations manual. The low end of the estimate represents using a computer or laptop, software router, modem, printer and phone from your home, with the exception of having to purchase some software. The high end represents current costs for: one computer or laptop, one tablet, software, merchant service equipment, one printer combination machine, modem, routers, one mobile phone, one multi-line phone system and one sound system if you choose to operate out of a location. You use and must purchase only approved technology items that meet our specifications, which may change from time to time and such items must be purchased through us, our affiliates and/or vendors or suppliers approved by us. All such items may not be refundable depending on the terms of the invoice or purchase agreement (Franchise Agreement Sections XII.H, XII.I and XX.I). We require you to purchase operations software and service from our approved vendor. The current monthly cost is \$299, plus tax. The monthly cost permits franchisees unlimited users. (Franchise Agreement Section X.H).

Note 2: This is an estimate for equipment, furniture and fixtures we would expect you to need in order to operate your Business. The equipment you will need for the operation of your Business includes: electric hammer drills, electric impact drills, air compressor, air guns, different electric powered saws (such as: skill saws, sawzalls, miter saws, etc.), angle cutters and various size ladders. The furnishings and fixtures necessary to operate your Business includes but is not limited to: desks, chairs, display systems and filing cabinets. The estimate provided for the low end takes into account that you purchase the equipment listed above and are able to use your existing furnishings and fixtures. The high estimate takes into account you operate your Business out of a small industrial or retail space of approximately 1,000 square feet and purchasing all new equipment, furnishings and fixtures. We base our estimates on the costs that our affiliates incurred when setting up their company-owned locations. You must purchase all equipment, furniture and fixtures that meet our specifications, which may change from time to time. You must purchase all equipment, furniture and fixtures directly from us, our affiliates or approved vendors and suppliers. If applicable, you must also pay state and local sales tax on purchases of equipment, furnishings and fixtures. The sales taxes may range from 3% to 10% of the purchase price and are not included in these estimates. Expenses for equipment, furniture and fixtures do not include shipping or delivery costs and may not be refundable depending on the terms of the invoice or purchase agreement.

Note 3: You can choose to operate your Business out of your home or out of a location (such as a small industrial or retail space with a showroom). The low estimate represents a home-based business and the high end of this estimate represents leasing a small industrial or retail space with 1,000 square foot at approximately \$1.35 per square foot (cost per square foot will depend on your geographic area). The high end estimate also includes first month's rent and a security deposit. We do not expect that you lease a retail space with high visibility for your Business however if you do so, upon our approval, your real estate expenses will be significantly higher than the above estimate. Real estate costs will also depend on

location, size, visibility, economic conditions, accessibility and competitive market conditions. These sums do not include common area maintenance fees, which if applicable, will vary depending on your location or any sums for the purchase of real property, as we do not expect that you will buy real property. We base our estimate on the costs that our affiliates incur in operating their respective company-owned locations. You may be able to reduce this expense if you are able to occupy a space in an existing location that compliments another business. The space must be enclosed and separate from other businesses with its own locking door. Lease payments for periods of time that you occupy your premises may not be refundable. In the event you leave your leased premises before the termination of your lease, you may owe the landlord payment for the entire lease term depending on the terms and conditions of your lease (Franchise Agreement Sections XII.S, XII.T and XX.C).

Note 4: If operating out of your home, we expect that you will not need any leasehold improvements. If you choose to lease a space, we suggest you find a space needing minimal leasehold improvements. When you choose to operate your Business out of a location, in most cases you may not need to alter the interior of your Business before you open for operation. A typical Access Garage Doors® business located in an industrial or retail space has a showroom, one large storage/work area and a unisex bathroom. Leasehold improvement costs will vary widely and may be significantly higher than what is projected in the table above depending on factors such as whether the space you are leasing has proper electricity and plumbing and/or if the space needs to be divided into different work areas. The high end of the estimate reflecting leasehold improvement costs when operating out of an industrial or retail space, however, does not reflect the potential need to add bathrooms, fire sprinklers, fire alarms and add or modify an HVAC system that entail mechanical, electrical and plumbing costs. We base our leasehold improvement estimates (if not operating a home-based business) on the costs that our affiliates incurred when building out their company-owned locations. In addition, we assume that your landlord will provide connections to adequate electrical, gas, water and sewage service and your landlord may provide tenant improvement allowances. You should investigate all these costs in the area in which you wish to establish an Access Garage Doors® Business. We will provide you with standard layouts and design options for your Business; however, it is your responsibility to hire an architect (if necessary) to create a complete set of drawings based on the size of your facility and local permitting requirements. Architect and permitting costs are not included in this estimate. You may incur greater or lesser leasehold improvement costs depending on your ability to negotiate leasehold improvements with your landlord. Whether or not any leasehold improvement expenses are refundable depend on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement (Franchise Agreement Section XII.S and XII.T).

Note 5: You must purchase a variety of products and supplies for the general operation of your Business as specified in the Operations Manual. You must purchase only approved products and supplies, and you must purchase such items that meet our specifications, which may change from time to time. The types of products and supplies include, but is not limited to: various hand tools (such as: hammers, cutting tools, osculating tools, screw drivers, tape measures, wire snippers, etc.), buckets, extension cords, yard signs, lubricants, solvents, garage door parts (such as: tracks, hinges, seals, rollers, different size chain rails and springs, etc.), garage door automation parts (such as keypads, remotes, logic boards, etc.), supplies (such as: bolts, screws, staples, hoses, clamps, etc.), shop cloths, personal protection equipment (such as: gloves, goggles, safety vests, etc.), fire extinguisher, a first aid kit, cleaning supplies, general office supplies in addition to brochures, flyers, miscellaneous forms, presentation folders and other products or supplies as specified by us. Regardless of how you operate your Business (whether from home or out of a location) you will have to purchase an inventory of products and supplies however if operating out of your home there is no need to purchase and inventory of garage door systems, motors and parts because such items are expected to be purchased on an as-needed basis. The high-end estimate takes into account operating of out of a small industrial or retail space and having an inventory of garage door systems,

motors and parts (purchasing only limited garage door systems or motors when starting your Business because all such items can be purchased on an as-needed basis moving forward). Your initial inventory of products and supplies will vary depending on whether you operate from home and if operating out of a small industrial or retail space then according to the size of your space, availability of products, your decisions regarding the appropriate mix of products for your market, anticipated sales volume and current market prices. You must purchase products and supplies that meet our specifications, which may change from time to time. We will provide you with written lists of approved products and supplies during training. All products and supplies must be purchased through us, our affiliates or approved vendors and/or suppliers, except all marketing and promotional materials and miscellaneous forms must be purchased directly from us. Whether or not any of the purchases for products and supplies are refundable depends on the terms of the invoice or purchase agreement with suppliers (Franchise Agreement Sections XII.I and XX.I).

Note 6: Vehicle Standards: You ~~must~~ are required to have a reliable vehicle for operating your Access Garage Doors franchise. This vehicle must be either a white, black, ~~or red-colored long-bed~~ red-colored pickup truck equipped with bed boxes ~~and~~ a ladder rack, and a PVC pipe carrier, or a van similarly equipped with a ladder rack ~~(and PVC pipe carrier (collectively referred to as the “Vehicle”)-for your Business to transport. These configurations are necessary for transporting equipment, products, and supplies essential to the operation of your Business.~~ and ~~As an optional, high-end alternative, you may use a ¾-ton pickup truck with a service body bed and crew cab, outfitted with a ladder rack and PVC pipe carrier, to service customers. You can use or purchase any type of used or new Vehicle for your Business. However, we require that your Vehicles meet our~~ may acquire a new or used Vehicle, provided it meets our required appearance standards. We will ~~provide~~ supply you with a written list of ~~Vehicles~~ these appearance standards during your initial training program. For the ~~low-end, the~~ low-end cost estimate is taking into account that, we assume you may be able to use ~~your~~ an existing Vehicle ~~so, as long as such Vehicle meets~~ it conforms to our color and appearance standards. For the ~~high-end, the~~ high-end estimate is an estimated down payment for, we include the potential cost of purchasing a used or new Vehicle ~~the optional vehicle described above,~~ which is approximately ~~\$10,000 per Vehicle~~ 75,000. Your ~~costs for a new Vehicle~~ actual cost may be ~~reduced~~ lower if you choose to lease ~~rather than~~ instead of purchase. ~~The purchase agreement price~~ Please note that vehicle pricing will vary from dealer to by dealer, and the final purchase price, as well as the terms of your loan, any financing arrangement—including the interest rate and term, may vary depending on your credit worthiness, changes in credit markets ~~loan duration—will depend on your creditworthiness, prevailing credit market conditions,~~ and other factors which are not under ~~our~~ beyond our control. We ~~cannot give you~~ do not make any guarantees or ~~make any~~ representations as to ~~regarding the availability, terms, or conditions or otherwise~~ of any financing for your Vehicle. You may ~~elect~~ choose to purchase additional Vehicles to ~~keep up with~~ support the growth of your Business. Whether ~~or not~~ any payments made ~~for~~ toward the purchase of your Vehicle are refundable ~~depends~~ will depend on the specific terms and conditions ~~offered~~ provided by ~~your~~ the dealer. (See Franchise Agreement Sections XII.H, XII.U, and XX.H).

Note 7: You must place our approved graphics on your Vehicle and we will provide you with specifications for all vehicle graphics during the training program. Whether or not payments made for vehicle graphics are refundable depends on the terms and conditions offered by the vendor (Franchise Agreement Sections XII.U and XX.H).

Note 8: You must purchase and maintain an inventory of approved uniforms for the operation of your Business. All uniforms must meet our specifications, which may change from time to time. You will need a minimum inventory of t-shirts for your technicians and polo shirts for your salespeople that incorporate our logo for your first month of operation. The number of t-shirts and polo shirts you will need will vary

Note 14: You must have a minimum of one full-time salesperson and will need to hire part-time technicians. Some franchisees may also need to hire an ~~operations manager~~Operations Manager. The low end of the estimate takes into account that you are the salesperson and the technician, and you are the ~~operations manager~~Operations Manager. The high end of the estimate takes into account you hire two part time technicians and you are the salesperson and ~~operations manager~~Operations Manager.

Note 15: Training is held at corporate headquarters. You are responsible for all costs associated with attending such as travel, room and board. Estimate provided is for one person. Additional training is available at your request for which an additional training fee of up to the lesser of \$150 per hour per person per day or \$500 per person per day plus any third-party charges may be required.

Note 16: Licenses may be required to operate your Business, and you may incur professional, legal and accounting fees associated with these licenses.

Total Estimated Initial Investment. The total estimated initial investment is an estimate only of the range of start-up expenses you may incur. We relied on our principals' combined expertise when preparing these figures. The actual amount of funds you will need depends on a variety of factors, including: the size of your facility, if you choose to lease a space rather than operate home-based,, amount of leasehold improvements you have to make to your facility (if applicable), the time of year when you start your Business; the amount of products and supplies you purchase, if you purchase additional equipment, furniture or fixtures; if you purchase a used or new Vehicle; the number of employees you hire, prevailing wage rates, implementation of a marketing plan, your own management skill, economic conditions, competition in your area and other factors. The estimate of initial investment funds is based on owner-operated business incorporating operations in your home or out of a small industrial or retail space and does not include salaries or benefits for full-time employees.

These figures are just estimates, and we cannot guarantee that you will not have higher costs. Competitive conditions described in Item 1 will affect these costs. This estimate of startup costs is calculated for a period of one month (except as stated otherwise), with additional operating capital to be available as may be needed during the initial phase. These costs do not include your Royalty Fee payments and System Advertising Fee payments, which begin immediately once your Business is deemed open for operation (as described in Item 6). Royalty Fee and System Advertising Fee payments should be included in your projections of overall operations costs beginning with your first month of operation. We acknowledge that you may choose to invest additional funds into your Business during the first three months of operation, and sometimes longer, but we cannot estimate or promise when, or whether, you will achieve positive cash flow or profits. These amounts are estimates only and specific amounts will vary with local market conditions, which are outside our control. You should review the figures carefully with a business advisor and identify your individual expenses along with cash flow projections before making any decision to buy the franchise.

We do not offer financing, directly or indirectly, for any part of the initial investment for a Franchise. The availability and terms of third-party financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and the lending policies of financial institutions. The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses. You should have sufficient capital or other means to pay for your living expenses for at least twelve months.

suppliers. If we require you to buy such items from us, we believe that the price and quality will be comparable to similar equipment and products from other sources. We may take a portion of that revenue to spend on advertising or place in a separate franchise advertising account. If we require you to buy equipment, products, supplies or services from a vendor that pays such allowances, we may spend all such fees on related advertising or place them in the separate franchisee advertising account, described in Item 11 below. If we do not require the purchase, we need not place such fees in a separate account or use them on advertising. We are not required to apply these funds to advertising or place them in a separate franchise advertising account but will use our reasonable discretion in making such decision.

None of our affiliates are approved suppliers of products and services to franchisees. Our total revenue for the fiscal year ending December 31, ~~2023~~2024, was \$~~576,118,932,522~~ of which \$0 is attributable to required purchases by franchisees.

To maintain uniform quality standards all equipment, products, services, signage, vehicle graphics, advertising, trademark usage, trade dress, dress code and other products and services you use to operate the Franchised Business must meet our standards and specifications as set forth in our Operations Manual. In addition, you must participate in and cooperate with warranty programs, promotional programs, gift certificate or gift card programs we may establish and follow our requirements and guidelines. We will require you to use specific software, operational forms, contracts, checklists and promotional items; and we may require you to use or contribute to specific merchant service providers, technology support providers, promotional items, vendor discounts, allowances and rebates.

If you choose to operate out of a location (rather than home-based), we maintain specifications for the construction and build out of your Business, leasehold improvements, storage, signage, vehicle graphics and décor to be used for the interior and exterior of your Business. You may not install or permit to be installed on the Business premises any décor items, signage, games, vending machines or other items without our written consent or that do not comply with our specifications. These specifications may include minimum standards for quality, performance, delivery, safety, durability, appearance, size, color, design, material and other characteristics. Some of these specifications are contained in our Operations Manual and others will be set forth in periodic written notices or email notices to our franchisees. In some cases, our specifications may involve confidential and proprietary information regarding the specifications of a piece of equipment and/or product specifications and such detail will only be made available to a supplier who agrees to sign a confidentiality agreement with us. We develop these specifications either through our research and development staff or with a particular manufacturer and these specifications may be modified periodically, through periodic written notices to our franchisees.

One of our primary methods of communication with franchisees is through emails, announcements and/or newsletters we may periodically publish and an intranet system that we will provide to franchisees on our website. You are responsible for knowing all of the information contained in the emails, announcements and/or newsletters and the intranet system and complying with any standards and specifications provided within them. We may establish and change the standards and specifications for the operation of your Business through such emails, announcements or newsletters and intranet system as well as by written notices and emails described above.

All marketing and promotion of your Franchise by you in any medium must be conducted in a professional and dignified manner and must conform to our specified standards and requirements that we prescribe in our Operations Manual. You must submit samples of all advertising or promotional plans and materials (including photographs and videos) that you desire to use to us for approval if such has not been prepared or previously approved by us. You may not use any marketing or promotional materials

necessary approvals, certifications, licenses and permits to operate your Business (Franchise Agreement, Sections XII.C, XII.T, and XX.A).

- (5) If you choose to lease a space for your Business, we will inform you of any of our mandatory specifications, architectural and design plans, floor plans, interior and exterior signage, décor, designs and layouts for the Business at the accepted location. We will provide you with guidelines for the design and layout of your Business, and you may need to hire an architect to create a complete set of drawings based on your building size and local permitting requirements. You will be required to confirm that your Business satisfies all state and local zoning ordinances, regulations, fire, health, and building codes. We may, if needed, review your set of drawings. It is your responsibility to comply with all laws, ordinances, regulations, zoning and building codes for your Business (Franchise Agreement, Section XII.T).
- (6) Provide you with a written list of Vehicle appearance standards (which include our vehicle graphic specifications). You are responsible for the cost of the Vehicle in addition to the purchase, installation and cost of all vehicle graphics. We do not install any graphics on your Vehicles (Franchise Agreement, Sections XII.H, XII.I, XII.U, XX.A and XX.H).
- (7) Provide you with: a written list of approved equipment, products, supplies and services you are authorized to use, sell and offer (as described in Item 8); a written list of approved vendors and suppliers to purchase equipment, products, supplies and services from. We will also train you on strategies for purchasing such items for the operation of your Business. You are responsible for the cost, delivery, installation and maintenance of these items as they are necessary for the operation of your Business. You are required to purchase all items listed above either from us, our affiliates and/or our approved vendors (Franchise Agreement, Sections XII.H, XII.I, XX.A, XX.H, and XX.I).
- (8) Provide you with specifications for all technology items (as described in Item 8) necessary to operate the Business. You are obligated to purchase, use and upgrade all technology items and any third-party software necessary for the operation of your Business. We will deliver the specifications, but not the above items, and you are responsible for purchasing and installing these items (Franchise Agreement Sections XII.H, XII.I, XX.A and XX.H).
- (9) Provide you with recommended guidelines for hiring employees and independent contractors (if you choose to use independent contractors) in addition to general guidance. You are responsible for all day-to-day activities including hiring, training and/or firing your employees and independent contractors. At no time will you, your employees, independent contractors or agents be deemed an employee of ours. You are still responsible for all employees and independent contractors you hire, determining their compensation, determining their benefits, tax withholding social security contribution withholding, ~~medicare~~Medicare withholding, and their behavior during the operation of your Business (Franchise Agreement, Sections IV.B, XII.F, XX.A and XX.E).
- (10) Offer certain training programs designed to assist you and your business management staff in the operation of your Business as further described below. We may provide continuing education to any new ~~manager~~General Manager or Operations Manager of

your Business. We may require that you, any Owner and any ~~manager~~Operations Manager(s) of your Business complete supplemental and refresher training programs during the term of the Franchise Agreement. This training is for Operations Managers, including General Managers. You are responsible for training your own employees.

- (11) Provide you with a self-study program (and related materials) immediately after executing the Franchise Agreement intended to help you prepare for our initial training program. We will provide an initial training program within 60 days after signing the Franchise Agreement, designated to assist you and your management staff in the operation of your Business, at no additional charge. The initial training program is designated for a maximum of three people per Franchise. If more than three people attend the training, we may impose a training fee of the lesser of \$150 per hour per person per day or \$500 for each day of training plus any third-party charges (Franchise Agreement, Sections IX.A, XII.V and XX.A).
- (12) Share with you operating challenges faced by other Access Garage Doors® franchised or company-owned business disclosed by reports submitted to us or inspections made by us. We may furnish to you such guidance and assistance in connection with the operation of your Franchise, as we deem appropriate. Such guidance and advice will include: strategies for ordering products, how to secure customers and accounts, troubleshooting and executing services, suggested pricing for products and rates for services, scheduling and efficiencies to manage high volume, service standards, hiring guidelines and operating procedures utilized by other franchises or company-owned businesses including the introduction of new equipment, products and services; advertising, marketing, promotional and social media strategies; record keeping, accounting methods and general operating procedures. Additional guidance and assistance may be made available to you at your written request and in our sole discretion at fees and charges established by us (Franchise Agreement, Sections XX.A, XX.E, XX.J, and XX.K).
- (13) Loan to you during the term of the Franchise Agreement one copy of our confidential Operations Manual, which may include one or more Manuals and other written materials for the operation of an Access Garage Doors® Business, containing mandatory and suggested specifications, standards and operating procedures required by us and information relative to your other obligations under the Franchise Agreement. We have the right to add to, and otherwise modify, the Operations Manual to reflect changes in authorized equipment, products and services you can use, sell and offer as well as changes in equipment and product, specifications, standards and operating procedures of an Access Garage Doors® business. You must keep the Operating Manual confidential and current, and may not copy any part of the Operating Manual. The Operations Manual currently contains 227 pages and the table of contents of the Operations Manual that applies to both the Complementary Model and the Standard Model as of our last fiscal year end is included with this Disclosure Document as Exhibit E (Franchise Agreement, Section XX.G).
- (14) Approve or disapprove samples of all local advertising, marketing and promotional materials not prepared or previously approved by us which are submitted by you (Franchise Agreement, Sections XII.H, XII.L and XX.J).
- (15) Deliver to you a website for your Franchise operations that will include scheduling functionality and access our intranet system that houses our proprietary educational

actual items as you are responsible for purchasing these items. We will continue to review and approve or disapprove any piece of equipment, product, supply, service, vendor or supplier you wish to use, sell or offer in the operation of your Business (Franchise Agreement, Sections XII.H, XII.I, XX.H and XX.I).

- (3) Provide you with a list of updated minimum inventory requirements (currently not in effect) and you with suggested pricing for products and rates for services. We will establish minimum and maximum prices you can charge to the extent allowed by law. We will continue to research and develop new equipment, products and services for the System as we deem necessary (Franchise Agreement XX.K).
- (4) Provide a dedicated telephone line, only for our franchisees, to answer questions and help troubleshoot jobs from you or your management (during regular business hours Eastern Time Zone). You will be able to contact us for questions, suggestions and guidance (Franchise Agreement, Sections VII.W and XX.A).
- (5) Review and approve all advertising, marketing and promotional materials in addition to any promotions, edits, changes or updates to your website that you submit to us (Franchise Agreement, Section XII.H, XII.I, XII.L, VII.W, XX.B and XX.J).
- (6) Provide continuing education to you and we may provide continuing education to any new ~~manager~~General Manager or Operations Manager of your Business as noted in paragraph 13 (iii) below. We may require that you, any Owners and any ~~manager(s)~~General Manager or Operations Manager (s) complete supplemental and refresher training programs during the term of the Franchise Agreement (Franchise Agreement, Sections XII.W and XX.A).
- (7) Offer assistance in establishing and using administrative, record keeping and accounting procedures in accordance with our Operations Manual, and various policies communicated by us to you in writing from time to time (Franchise Agreement, Sections XIV.A and XX.A).
- (8) Provide you with all update and upgrade requirements for your technology items (as described in Item 8) and related software or changes in our policies that are communicated to you in writing. You are required to purchase such items to operate your Business. The costs for such items are approximately \$500 to \$3,800 (see Item 7). We estimate that the annual cost of technology items and related software and/or hardware upgrades to be approximately \$250 per year. If we develop proprietary software in the future, we will provide you with update and upgrade requirements; however, we are not obligated to provide any upgrades to any third-party software programs. We are not obligated to provide maintenance or repairs to any technology item, hardware or software that you use in the operation of your Business. We do not install any software that you purchase or license. We reserve the right to have independent access to all information that you store in any computer, laptop, tablet, phone system or software used for the Business (Franchise Agreement, Sections XII.H, XII.I, XX.A and XX.H).
- (9) Reserve the right at our discretion to institute, maintain, and administer a System Advertising Fund (referred to as the “Fund”) to support the development of ongoing technology, new equipment, products or services to be made available to all franchisees, and such national advertising (including media production costs) as we, in our sole

discretion, may deem appropriate to promote Access Garage Doors® name to benefit all franchised businesses as described in Item 6. But, we do not use any monies in the Fund to solicit new franchisees. We will direct all such programs and will have sole discretion over the creative concepts, materials and endorsements and media used in such programs, and the placement or allocation of such programs. The source of the advertising will come from our in-house advertising department or may in the future from a national or local advertising agency. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. The advertising programs may be either national, regional or local at our sole discretion. We are not obligated to spend a specific dollar amount on advertising in your Territory (Franchise Agreement, Section X.B).

- (i) You will pay us ½ % of Gross Revenues per calendar month for the Fund contribution, paid to us, as designated in the Franchise Agreement. We may raise, discontinue or reduce the contribution, but your total contribution will not exceed 3% of your Gross Revenue per month in any calendar year for the term of the Agreement. Contributions are due by the tenth day of the month (for the prior month) which will start immediately once your Business is deemed open for operation then continues for the term of your franchise (as described in Item 6). Refer to Item 6 for the definition of Gross Revenue.
- (ii) The contributions to the Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including conducting evaluation of new technologies, products, equipment, services, market research, media production costs, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the Fund. Usage of the Fund will include ongoing development of the national website and development of new equipment, products, supplies and services to be made available to franchisees. The media in which advertisements may be disseminated include print ads, signs, billboards, internet, radio and television and may be conducted on a regional or national basis. We may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Access Garage Doors® franchises in that year, and the Fund may borrow from us or others to cover deficits; or invest any surplus for future use.
- (iii) The fund spent ~~5367~~% of its income on the production of advertisements and other promotional materials (software development), 0% on media placement, ~~232~~% on general and administrative expenses and ~~451~~% on other expenses.
- (iv) In the future, we may form a franchisee-elected Franchisee Advisory Council or cooperative whose sole purpose is to advise on Fund usage and advertising policies. We retain all operational and decision-making authority concerning advertising and the Franchise Advisory Council will serve only in an advisory capacity. The membership of any Franchise Advisory Council will be national in scope. The Franchise Advisory Council will not be separately incorporated and, therefore, it will not have any written entity organizational documents. If one is

securing a location for your Business that is approved by us, negotiation of a lease agreement (if applicable), construction and build-out (if you choose to lease a space rather than operate from home), time of year you open the Business, completion of our initial training program by you (or your Owners) and availability of equipment, products and supplies necessary for you to begin operating your Business. If you choose to open a location (such as a small industrial or retail space) for your Business, you must acquire or lease, at your expense, commercial real estate that is properly zoned for the use of your Business under the Franchise Agreement within the timeframe mentioned above (not applicable if home-based). If opening a location, must submit to us, in the form we specify, a copy of the location plan and other such information or materials we may require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your affirmative prospects for obtaining the location. We will have 30 days following receipt of this information and materials from you to approve or disapprove the proposed location of your Business and will notify you of the same by e-mail or other form of written communication. Failure to open your Business for operation within 60 days from signing the Franchise Agreement (as mentioned above) will constitute a default under the Franchise Agreement, for which we may terminate the Franchise Agreement. Such default notice, under which we may terminate the Franchise Agreement, shall be given to you in writing.

- (13) Before the opening of your Franchise, yourself, any Owner and proposed ~~manager~~General Manager or Operations Manager you designate are required to attend our ten-day Franchisee training program at our corporate headquarters in Hixson, Tennessee unless headquarters is moved. We maintain a regular calendar for the training program and the trainings are held approximately six to twelve times per year (or more frequent if needed). The training program is included in your Initial Franchise Fee for up to three individuals. You are responsible for all costs associated with attending the program such as travel, room and board.
- (i) If any proposed ~~manager~~General Manager or Operations Manager does not satisfactorily complete our training program, we will notify you and you may then select and enroll a substitute ~~manager~~General Manager or Operations Manager in our training program. If, during the training program we determine, in our sole discretion, that you (or your managing partner, member or shareholders) are not qualified to manage an Access Garage Doors® Business, you can appoint someone else to be trained at your expense. If that person does not satisfactorily complete our training, we have the right to terminate the Franchise Agreement. The criteria that we will use to determine whether or not we deem you (or your managing partner, member or shareholders) qualified to manage an Access Garage Doors® Business includes, but is not limited to, lack business experience, if it is determined that personality makes it difficult for you to obtain customers and/or accounts; or you are unable to obtain the appropriate licenses, permits or certifications to operate an Access Garage Doors® business. We will send you a written termination notice upon our determination of qualification.
- (ii) After the completion of our training program by you and your management team, we can upon your request provide training to any new ~~manager~~General Manager or Operations Manager of your Business for which an additional training fee of up to the lesser of \$150 per hour per person per day or \$500 per person per day

plus any third- party charges may be required. The trainee(s) will be responsible for all costs related to attending training such as travel, room and board. In addition, we have the right to require that you (or such managing partner, member or shareholder) and any ~~manager(s)~~General Manager or Operations Manager complete supplemental and refresher training programs during the term of the Franchise Agreement, to be furnished at our corporate headquarters (currently in Hixson, Tennessee). There may be an additional cost for a supplemental and refresher training program. You are responsible for all costs associated with attending such training opportunities we may provide for you such as travel, room and board.

- (iii) After the opening of your Business, we will provide to you and your personnel, access to information and support through our intranet system. Support may also be available from our professionals, and we may provide refresher training or continuing education programs either through phone, web based (“webinars”), video or at locations designated by us (most likely at our headquarters). Such refresher or continuing education sessions (other than by phone, webinars or video) may have a registration charge to you which will not exceed more than the lesser of \$150 per hour per person per day or \$500 per person per day plus our expenses and third-party charges. You are responsible for costs associated with you attending the programs such as travel, room, board and related expenses or our expenses if we come to you. The programs will normally not exceed two (2) days and we expect to have quarterly programs subject to special need. The content will cover particular aspects including but not limited to: new products or services; sales methods; processes, procedures and techniques when performing services; best practices for hiring employees and independent contractors (if you choose to hire independent contractors); service standards, trends in the industry, operational guidelines, safety, website and software developments, advertising, marketing, and administration. We may conduct an annual convention at such place as shall be designated by us for all franchisees but will most likely be at our headquarters. A registration fee for each participant may be required which we will work in good faith to maintain at our cost and you will be responsible for costs associated with attending the convention such as travel, room and board. The registration fee for conferences will not exceed \$500 per person. The fees charged above may be increased a reasonable amount based on the increase of actual costs incurred by us.
- (iv) We will immediately schedule our initial training program and you must complete our initial training program within 60 days after signing the Franchise Agreement., We will provide training for you as noted in the following training schedule. This training curriculum is fully detailed in the Operations Manual and will change periodically. Our training team will include directors from our Hixson corporate office, members of our website development team, members from our approved suppliers and service providers.

TRAINING SCHEDULE: AT CORPORATE OFFICES

Access Garage Doors® Franchise Training Program includes an Operations Manual, hands-on training, video presentations and demos. This training curriculum is fully detailed in the Operations Manual and will change periodically.

Training Program

The Operations Manual will detail all aspects of Franchise operations presented in training and serve as an ongoing reference. Updates to the Operations Manual will be made available to you through various means including online. All of the training sessions will be taught by a combination of Aaron Jesse Cox who has over 25 years of sales, business management and garage door experience; David Neal who has over 17 years of administrative and bookkeeping experience; Chris Evans who has over 15 years of business operations and management experience; and Allan Gadbow who has over 11 years of experience in sales and marketing, all of whose backgrounds are described in Item 2. Occasionally, different guest speakers may make an appearance at the training program to provide information about various products, supplies and services used and offered by us. For example, some speakers may be our employees, franchisees, vendors or industry experts.

Subject	Level 2: Interactive Virtual Classroom Hours	Level 3: Hands On Training Hours	Instruction	Location
Overview, Culture, Philosophy, Standards and Introduction*	1 Hour	1 Hour	Presentation, demos and examples	Corporate headquarters in Hixson, Tennessee, Virtual or as we otherwise specify
Approved Products, Services, Ongoing Maintenance Programs, Service Guarantee and Warranty Programs	2 Hours	1 Hour	Operations Manual, Presentation and Various Speakers	Corporate headquarters in Hixson, Tennessee, Virtual or as we otherwise specify
Approved Equipment, Specification and Maintenance	1 Hour	0 Hours	Operations Manual, Presentation and On the Job Training	Corporate headquarters in Hixson, Tennessee, Virtual or as we otherwise specify
Approved Vendors, Suppliers, Purchasing, Inventory and Controlling Costs	2 Hours	1 Hour	Operations Manual, Presentation and Various Speakers	Corporate headquarters in Hixson, Tennessee, Virtual or as we otherwise specify
Designing Garage	2 Hours	1 Hour	Operations Manual, Presentation and	Corporate headquarters in

We will provide you with announcements and/or newsletters that will contain ongoing training relating to your Business. We will also provide you with access to additional or refresher training programs that may be conducted through the telephone, webinars or video training at no cost to you. In very rare instances, we may periodically require that you or your Owners (if you are an entity) complete additional training or refresher training programs to correct, improve and/or enhance the operations of your Business. Such additional or refresher training programs may be conducted through the telephone, webinars, video training or at annual conferences. Anyone attending additional or refresher training programs (training other than by telephone, webinars or video training) will be subject to an additional training fee and all costs associated with attending the training program such as travel, room and board (as described in paragraph 13 (iv) above).

No Technician Training: Franchisee is responsible for training its own employees. The initial training program is designed to train franchisee ~~managers~~ General Managers, Operations Managers and owners ~~only~~. Initial Training will not be provided by us to your employees.

ITEM 12 TERRITORY

You must operate your single Access Garage Doors® Business within the specific location identified in your Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchises, from outlets that we own, or from other channels of distribution or competitive brands we control. You are awarded a protected territory (“Territory”) of a defined population as much as 600,000 persons which means it may be less than such amount. We reserve the right to grant a territory that is larger or smaller than the population area defined above, in order to account for more densely or sparsely populated areas. We will determine your Territory based on the most recently published data from the U.S. Census Bureau (or other sources as we may indicate to you), for the zip codes listed in the Franchise Agreement. You will have the only Access Garage Doors® Business within your Territory. You can sell products and perform services to anyone who comes from anywhere so long as the products you sell are from your Business and the services you perform are within your Territory and such sales and services do not result in any Target Marketing activities by you (as defined below). You can also conduct business at special events (such as: community events, home shows, trade shows, expos, etc.) to sell products and promote services as long as such events are within your Territory. You may conduct business at special events and perform services in other geographical areas outside your Territory provided there is not another Access Garage Doors® franchise or company owned location in that area only after providing notice to us and after obtaining our written approval. We shall approve or deny your request, which approval is in our sole discretion, within three business days of receipt of your written request and will respond by email or any other form of written communication (as described below). If we approve your request to conduct business at special events or perform services in another geographical area, you must be prepared to immediately refrain from performing services and lose any accounts you have established when that area is purchased and immediately refrain from conducting business at such special events. You can directly market and solicit for customers only within the accepted Territory that has been entered in your Franchise Agreement or made part of by an addendum attached to your Franchise Agreement. You may also sell and ship products to anyone located outside your Territory so long as your sales do not result from any Target Marketing (as defined below) activities by you.

We cannot establish either a company-owned business, franchise nor license another to locate an Access Garage Doors® business within your Territory identified in your Franchise Agreement during the term of the Franchise Agreement.

a location); guidelines for hiring, training and retaining employees and independent contractors (if you choose to hire independent contractors) and proprietary educational platform that houses our video library of proprietary training modules and courses (which includes curriculum, lesson plans and workshops) to complement your ongoing training efforts; Vehicle appearance standards (including our vehicle graphic specifications), website, intranet system, third-party software, Operations Manual, photographs, video presentations, forms, contracts, record keeping and reporting methods; proprietary sales presentations, customer and account acquisition programs; advertising, marketing, social media and promotional strategies and materials; systems and knowledge of, and experience in, the operation and franchising of Access Garage Doors® business (the “Confidential Information”). We will disclose Confidential Information to you during our initial franchise training program, seminars, workshops, continuing education sessions (see Item 6 and Item 11) and conventions sponsored by us; in our Operations Manual, and in guidance furnished to you during the term of your Franchise Agreement.

If you or your partners, members, managers, directors, shareholders, employees, agents or independent contractors, develop or create any new service, product, piece of equipment, program, video presentation, photograph, concept, technique, formula, method, process or improvement in the operation or promotion of your Business, you are required to promptly notify us with all necessary related information, without compensation. However, as a matter of corporate policy, we may create an incentive program to reward you, your partners, members, ~~managers~~ General Managers, Operations Managers, directors, shareholders, employees, agents or independent contractors for any new service, product, piece of equipment, program, video presentation, photograph, concept, technique, formula, method, process or improvement that we implement throughout the System. You and if you are an Entity, then one of your Owners acknowledges that any such new service, product, piece of equipment, program, video presentation, photograph, concept, technique, formula, method, process or improvement will become our property and we may use or disclose such information to other franchisees as we deem appropriate.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your Access Garage Doors® Business during the term of your Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosures to employees and independent contractors of your Franchise and any other business(es) owned by you and if you are an Entity any of your Owners, and the use of nondisclosure and noncompetition clauses in employment agreements with your employees, independent contractors and Owners where enforceable under state law.

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

The Franchise Agreement provides that your Business must at all times be under your direct, day-to-day, full-time supervision (or if you are an Entity such as a limited liability company, partnership or corporation, then a managing Owner of such Entity, approved by us) or the non-owner manager of

your Business who is approved by us. This person must have successfully completed our training program and must use his/her best efforts in the operation of an Access Garage Doors® Business.

You are required to retain a manager (“Operations Manager”) for the operation and management of your Business, and you must retain a minimum of one full-time salesperson within thirty (30) days once your Business is deemed open for operation. You must have such Operations Manager and a minimum of one full-time salesperson on staff for the entire term of the Franchise Agreement. The Operations Manager and salesperson may, but need not, be you or one of the Owners of the Business. The Operations Manager must meet all of our standards and criteria for such positions as set forth in the Operations Manual. The Operations Manager need not have any set percentage of the equity of the Franchised Business. Your Operations Manager must devote all of his or her time and effort to the personal supervision of the Business. These individuals and their replacements must also satisfy the applicable training requirements as outlined in the Franchise Agreement (Franchise Agreement Section XII.F).

If we, in our sole discretion, find that your Operations Manager is not properly performing his or her duties, we will advise you and you must immediately take steps to correct the situation. However, we are not responsible for the hiring, discipline, or termination of any Operations Manager that you employ. Upon termination of employment of your Operations Manager or salesperson, you must appoint a successor Operations Manager within 60 days and a successor salesperson within 30 days. Any replacement Operations Manager (who we may disapprove in our sole and absolute discretion) and salesperson must be trained by you in accordance with our standards. To clarify, any replacement Operations Manager and salesperson is to be trained by you at your expense.

Our approval of an Operations Manager other than you is conditioned upon the Operations Manager entering into a confidentiality and restriction of like business agreement containing provisions like those contained in the Franchise Agreement and Schedule 8 of the Franchise Agreement against engaging in competing businesses and use/disclosure of our confidential business information during the tenure of employment with you and for a period of three years following employment by you. You will provide us with executed copies of the same upon request.

If you are an Entity, each of your Owners that holds more than 10% interest in the Franchise Business must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Guaranty of Obligations is attached as Schedule 5 of the Franchise Agreement.

ITEM 16 **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

Due to the differing nature of markets across the United States, and because climate and geographic areas will vary, you will have a wide variety of possible locations in which to conduct business operations with our approval. You may not use the Access Garage Doors® Business for any other purpose than the operation of an Access Garage Doors® business, unless otherwise approved by us in writing. Alternative operation sites that may be approved can include for example incorporating your Business operations within the premises of an existing business.

You must comply with all of our standards and specifications relating to: selling products and offering services; purchasing equipment, products, supplies, uniforms, Vehicle, vehicle graphics,

technology items, software, signage, advertising and marketing materials, promotional items, miscellaneous forms and other items to be used, offered or sold in the Business (See Item 8).

You are required to sell only approved products, offer and perform only our approved services as specified by us which include: onsite consultation and garage door design services, a wide selection of pre-fabricated garage doors for sale from a variety of different manufactures, custom-made garage door solutions, a large selection of electric garage door opener products, garage door automation systems, installation and repair services performed by professionally trained technicians, garage door equipment and parts for sale (such as: motors, controllers, rollers, springs, tracks, etc.) in conjunction with our privately labeled products (such as ~~lubricants~~[AccessO Lubricant™](#)) in addition to our warranty and proprietary ongoing maintenance and service guarantee programs and other garage door-related products or services as expressly authorized by us in writing or in the Operations Manual, or developed by us as a result of your pre-market entry study to meet the needs of your unique market, and any updates to be incorporated in the Operations Manual periodically. You must not deviate from our standards and specifications without first obtaining our written consent. We will provide you with a written list of products you are authorized to sell and list of services you are authorized to offer and perform during our initial training program. You must sell the products and offer and perform only the services we specify; and you acknowledge that we allow you to sell products offer services to anyone so long as such sales do not result in Target Marketing, all products are sold from your Business or special events and all are performed within your Territory (as described in Item 12). We, other franchisees and company-owned businesses reserve the same right to sell products to anyone without compensation to you and are also prohibited from performing services outside their respective territories. You acknowledge that this may create competition and you will not receive any compensation from us, other franchisees or company-owned businesses if products are sold within your Territory.

You can sell products and provide services at any price and/or rate you establish; however, we will suggest pricing and rate strategy and will establish minimum and maximum prices and/or rates at which you may sell products and provide services to the extent allowed by federal and state laws. You may offer additional products and services that are unique to your area in an effort to blend in with your community; however, you must obtain our written approval before such products or services offered and the time to approve or deny your request is thirty (30) days (as described in Item 8). You must discontinue using, selling, offering and performing any product or service we may disapprove in writing at any time, whether such product or service is currently in use. We may change and/or modify the types of products and services we authorize at any time. There are no limits on our right to do so. We will inform you by email or by any other form of written communication of such changes and/or modifications. You may not sell any products or offer any services that has not been specifically approved by us in writing. You may not independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights to sell any type of product or piece of equipment for any manufacturer or vendor inside or outside your Territory without our written consent.

In addition, you acknowledge that we may, in our discretion, allow you and other franchisees or company-owned businesses to sell products and promote services through an alternative channel of distribution (such as on the Internet or Websites) provided you adhere to our standards. You acknowledge that this may create competition and you will not receive any compensation from such sales made by other franchisees or company-owned locations. If we authorize you to sell products and promote services through alternative channels of distribution, all products must be sold and shipped from your Business or sold at special events within your Territory and all services must be performed within your Territory. Unless otherwise approved by us in writing, you are not authorized to promote services or sell

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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. “FA” refers to the Franchise Agreement.

	Provision	Section in the Franchise Agreement	Summary
a.	Length of the Franchise Term.	FA Section VII.A.	FA – five (5) years
b.	Renewal or extension of the term.	FA Section VII.B.	FA – up to two (2) <u>additional</u> five (5) year renewal terms if you meet certain term requirements.
c.	Requirements for franchise to renew or extend.	FA Section VII.B	FA – Written notice for you to renew, full compliance, not in default under Franchise Agreement, performance standards satisfied, satisfied monetary obligations, sign then current form or new Agreement, execute general release, satisfy any then current qualifications and training requirements, upgrade Business and pay renewal fee. The franchisee may be asked to sign an agreement with materially different terms and conditions from the original franchise agreement.
d.	Termination by you.	Section XXIII.D	FA – If we have materially failed to comply with terms of the Franchise Agreement after thirty (30) days’ notice.
e.	Termination by us without cause.	Not Applicable	We cannot terminate your FA without cause.
f.	Termination by us with cause.	FA -Section XXIII.B and XXIII.C	FA - We can terminate if you breach a material provision of the FA or fail to open the Business.
g.	“Cause” defined; curable defaults.	FA – Section XXIII.B	FA-Violation of health or safety laws upon seventy-two (72) hrs. notice; five (5) days for failure to pay amounts owed;

Provision	Section in the Franchise Agreement	Summary
w. Choice of law.	FA – Section XXV.G.	FA – State of Tennessee laws apply (unless prohibited by laws of state where Franchise is located).
x. Liquidated Damages	FA – Section XXIV.H	FA – If the Franchise Agreement is terminated prior to its expiration date, you shall be obligated to pay within thirty (30) days of termination or expiration of the Franchise Agreement, a sum determined by adding together the average Royalty Fee payments and average System Advertising Fund Fee payments that was paid to us during the previous twelve (12) months for either the remaining term (or renewal term) of the Franchise Agreement or two (2) years (whichever comes first). If you have not made twelve (12) months of payments to us, then the number of payments you have made will be used to calculate the average of such Royalty and System Advertising Fund Fee payments (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

We currently 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.

~~The location is responsible for generating more than fifty percent (50%) of the Gross Revenues.~~
As defined in the Agreement, “Gross Revenue” shall include all revenue accrued from the sale of all Products and performance of Services in, at, upon, about, through or from the Business, whether for cash, credit or for barter and regardless of collection in the case of credit, and

income of every kind and nature related to the Business. Gross Revenue also includes fair market value for any service or product Franchisee receives in barter or exchange for its Products and/or Services, the retail value of any discounted and/or complementary (free) Product and/or Service given or provided to customers in addition to all insurance proceeds and/or condemnation awards for loss of sales, profits or business. However, Gross Revenue shall not include: (i) service fees for credit card transactions; (ii) revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, (iii) gratuities paid to Franchisee's employees; (iv) and the amount of cash refunds the Franchisee in good faith provides to its customers. The sale of all Products on any alternative channel of distribution (such as on the Internet, mobile devices, etc. if we authorize you to sell Products on an alternative channel of distribution in the future) or Services performed outside its Territory (all of which need our approval) is included in computing Gross Revenue.

There were ~~seven~~thirteen franchisees operating in the Access Garage Doors® system in ~~2023~~2024 which still remain in the system as of January 1, ~~2025~~. Two franchisees operated in 2024. Any franchisee who but left the system has and have been omitted from this Item 19 for 20232024 reporting. One unit was omitted from the 2022 and 2023 numbers reported herein because it was inactive for periods and is no longer open.

Any unit with less than one year of operating history has been omitted. Only ~~five~~seven of those ~~seven~~thirteen franchisees were operating for one year or more as of January 1, ~~2024~~2025. Franchisor's affiliate operates one Access Garage Doors® territory consisting of Chattanooga, Tennessee and surrounding areas. The area served by the affiliate may be larger than areas serviced by some franchisees.

The average gross sales of the seven franchised units reported in 2024 was \$718,473.74. Three franchisees (or 43%) met or exceeded the average gross sales. The average gross sales of the five franchised units reported in 2023 was \$889,093.36. Two franchisees (or 40%) met or exceeded the average gross sales. The average gross sales of the four franchised units reported in 2022 was \$800,316.08. Two franchisees (or 50%) met or exceeded the average gross sales. The average gross sales of the five franchised units reported for 2021 was \$223,570.14. Two franchisees (or 40%) met or exceeded the average gross sales. The average monthly gross sales of the seven franchised units for 2024 was \$80,056.59. The average monthly gross sales of the four franchised units for 2023 was \$74,091.11. The average monthly gross sales of the four franchised units for 2022 was \$66,693.00. The average monthly gross sales of the five franchised units for 2021 was \$19,733.25. This monthly average is based on the actual number of months operating Two franchisees (or 29%) met or exceeded this average in 2024. Two franchisees (or 40%) met or exceeded this average in 2023. Two franchisees (or 50%) met or exceeded this average in 2022. Two franchisees (or 40%) met or exceeded this average in 2021. The median gross revenues for franchised units in 2024 was \$389,855.87, 2023 was \$464,450.67, 2022 was \$740,643.21, and 2021 was \$158,719.95; and the median monthly was \$32,487.99 in 2024, \$38,704.22 in 2023, \$61,720.27 in 2022, and \$13,225.67 in 2021. Three franchisees (or 43%) in 2024 met or exceeded the median annual gross sales and median monthly average gross sales. Two franchisees (or 40% in 2023, 50% in 2022, and 40% in 2021) met or exceeded the median annual gross sales and median monthly average gross sales. The highest annual gross sales among franchisees were \$1,772,264.57 in 2024, \$1,621,401.32 in 2023, \$1,555,676.09 in 2022, and \$537,409.20 in 2021; and the lowest were \$154,130.68 in 2024, \$352,363.61 in 2023, \$164,301.83 in 2022, and \$14,639 in 2021. The highest monthly

gross sales were \$147,688.71 in 2024, \$135,116.78 in 2023, \$129,639.67 in 2022, and \$44,784.10 in 2021, and the lowest were \$12,844.22 in 2024, \$29,363.63 in 2023, \$13,691.82 in 2022, and \$2,091.29 in 2021.

The average annual gross sales for the affiliate were \$6,287,701.93 in 2024, \$5,288,656.99 in 2023, \$4,619,986.80 in 2022, \$3,631,091.11 in 2021 and \$3,250,156.74 in 2020. The average monthly gross sales for the affiliate were \$523,975.16 in 2024, \$440,721.42 in 2023, \$384,998.91 in 2022, \$302,590.93 in 2021, and \$270,846.39 in 2020. Given that only one territory is reported, the one territory median matched the average in 2024, 2023, 2022, 2021 and 2020. The median gross sales were \$6,287,701.93 in 2024, \$5,288,656.99 in 2023, \$4,619,986.80 in 2022, \$3,631,091.11 in 2021, and \$3,250,156.74 in 2020; and the one territory reported matched the median gross sales in 2024, 2023, 2022, 2021, and 2020. Company owned outlets do not pay a royalty. Franchisees are subject to a royalty fee of 4-5% per month. In the case of both the average and median gross sales above, both would be subject to the royalty fees if operated by a franchisee. The company owned outlet does pay a system advertising fee of 1/2% like franchisees. These adjustments to the above company owned operations at a 5% royalty fee would make the average annual gross sales and median gross sales from a franchisee's perspective \$5,973,316.83 in 2024, \$5,024,224.14 in 2023, \$4,388,987.46 in 2022, \$3,449,536.55 in 2021, and \$3,087,648.90 in 2020; and it would make the average monthly gross sales \$497,776.40 in 2024, \$440,721.42 in 2023, \$365,748.96 in 2022, \$287,461.38 in 2021, and \$257,304.07 in 2020.

Some outlets have sold this amount. There is no assurance you'll do as well. If you rely upon our figures, you must accept the risk of not doing as well.

We have compiled product costs, advertising spend and average unit volume using data provided by franchisees which has not been audited by us. We excluded any units not currently in operation for one year or more as of close of our fiscal year end.

Table 1

COMPANY OUTLETS (1)			
	Gross Sales	Monthly Average	Median Monthly Gross Revenues
<u>2024</u>	<u>\$6,287,701.93</u>	<u>\$523,975.16</u>	<u>\$523,975.16</u>
2023	\$5,288,656.99	\$440,721.42	\$440,721.42
2022	\$4,619,986.80	\$384,998.91	\$384,998.91
2021	\$3,631,091.11	\$302,590.93	\$302,590.93

Table 2

FRANCHISED OUTLETS (2024)		
<u>Unit #</u>	<u>Gross Sales</u>	<u>Monthly Average</u>
<u>3</u>	<u>\$1,772,264.57</u>	<u>\$147,688.71</u>
<u>4</u>	<u>\$389,855.87</u>	<u>\$32,487.99</u>
<u>5</u>	<u>\$1,503,658.90</u>	<u>\$125,304.91</u>
<u>10</u>	<u>\$251,965.55</u>	<u>\$20,997.13</u>
<u>11</u>	<u>\$779,620.94</u>	<u>\$64,968.41</u>
<u>12</u>	<u>\$177,819.66</u>	<u>\$14,818.31</u>
<u>13</u>	<u>\$154,130.68</u>	<u>\$12,844.22</u>
<u>All Units Average</u>	<u>\$718,473.74</u>	<u>\$80,056.59</u>
<u>All Units Median</u>	<u>\$389,855.87</u>	<u>\$64,968.41</u>
FRANCHISED OUTLETS (2023)		
<u>Unit #</u>	<u>Gross Sales</u>	<u>Monthly Average</u>
<u>1</u>	<u>\$1,621,401.32</u>	<u>\$135,116.78</u>
<u>2</u>	<u>\$432,158.63</u>	<u>\$36,013.22</u>
<u>3</u>	<u>\$1,575,092.59</u>	<u>\$131,257.72</u>
<u>4</u>	<u>-</u>	<u>-</u>
<u>5</u>	<u>\$352,363.61</u>	<u>\$29,363.63</u>
<u>6</u>	<u>\$464,450.67</u>	<u>\$38,704.22</u>
<u>All Units Average</u>	<u>\$889,093.36</u>	<u>\$74,091.11</u>
<u>All Units Median</u>	<u>\$464,450.67</u>	<u>\$38,704.22</u>
FRANCHISED OUTLETS (2022)		
<u>Unit #</u>	<u>Gross Sales</u>	<u>Monthly Average</u>
<u>1</u>	<u>\$1,555,676.09</u>	<u>\$129,639.67</u>
<u>2</u>	<u>\$339,192.29</u>	<u>\$28,266.02</u>
<u>3</u>	<u>\$1,142,094.12</u>	<u>\$95,174.51</u>
<u>4</u>	<u>-</u>	<u>-</u>
<u>5</u>	<u>\$164,301.83</u>	<u>\$13,691.82</u>
<u>All Units Average</u>	<u>\$800,316.08</u>	<u>\$66,693.00</u>
<u>All Units Median</u>	<u>\$740,643.21</u>	<u>\$61,720.27</u>
FRANCHISED OUTLETS		

	(2021)	
Unit #	Gross Sales	Monthly Average
1	\$537,409.20	\$44,784.10
2	\$158,719.95	\$13,226.67
3	\$351,394.98	\$29,282.92
4	\$14,639.00	\$2,091.29
5	\$55,687.55	\$9,281.26
All Units Average	\$223,570.14	\$19,733.25
All Units Median	\$158,719.95	\$13,225.67

~~Some outlets have sold this amount. There is no assurance you'll do as well. If you rely upon our figures, you must accept the risk of not doing as well.~~

~~We have compiled product costs, advertising spend and average unit volume using data provided by franchisees which has not been audited by us. We excluded any units not currently in operation for one year or more as of close of our fiscal year end. Unit 4 is omitted from the 2022 and 2023 numbers reported in Table 5 below because it is no longer open.~~

Table 3

COST OF GOODS SOLD	
2023	
Unit Average COGS Expenses*	\$409,225.66
Unit Average COGS* (Percentage)	47%
COST OF GOODS SOLD 2024	
<u>Unit Average COGS Expenses*</u>	<u>\$362,676.72</u>
<u>Unit Average COGS* (Percentage)</u>	<u>46.26%</u>

*Only includes units open one (1) year or more as of December 31, ~~2023~~ of year reported.

Table 4

UNIT AVERAGE/<u>MEDIAN</u> SALES - 2023	
All Units Open 1 year+ <u>Average</u>	\$889,093.36
Unit <u>All Units Open 1 year+ Median- Sales-2023</u>	\$464,450.67
UNIT AVERAGE/<u>MEDIAN</u> SALES - 2024	
<u>All Units Open 1 year+ Average</u>	<u>\$718,473.74</u>
<u>All Units Open 1 year+ Median</u>	<u>\$389,855.87</u>

Table 5

AVERAGE/MEDIAN UNIT VOLUME – FRANCHISED UNITS ONLY		
	<u>Average</u>	<u>Median</u>
FIRST YEAR OF OPERATION	<u>\$226,173.71</u>	\$335,255.33 <u>156,969.97</u>
SECOND YEAR OF OPERATION	<u>\$730,801.15</u>	\$847,331.53 <u>604,737.75</u>
THIRD YEAR OF OPERATION	<u>\$1,016,559.62</u>	\$1,209,550.85 <u>999,877.96</u>
<u>FOURTH YEAR OF OPERATION</u>	<u>\$1,197,470.01</u>	<u>\$1,503,358.90</u>

Table 6

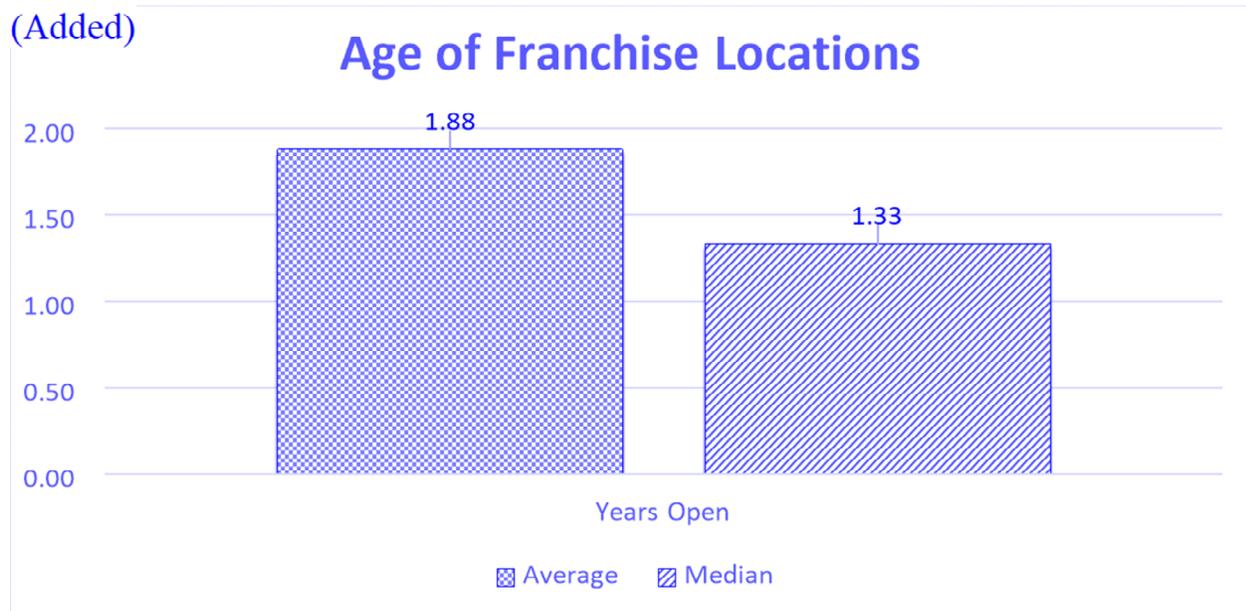


Table 7

(Added)

2023-2024 Growth of Franchise System by Franchise Units

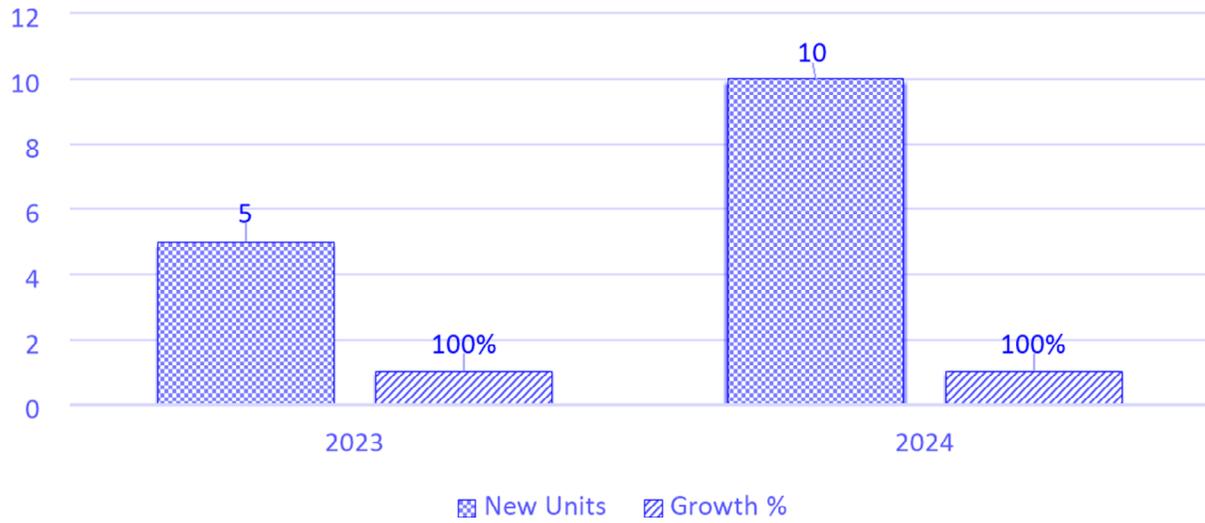


Table 8

(Added)

2023 vs 2024 Franchise Unit Stats

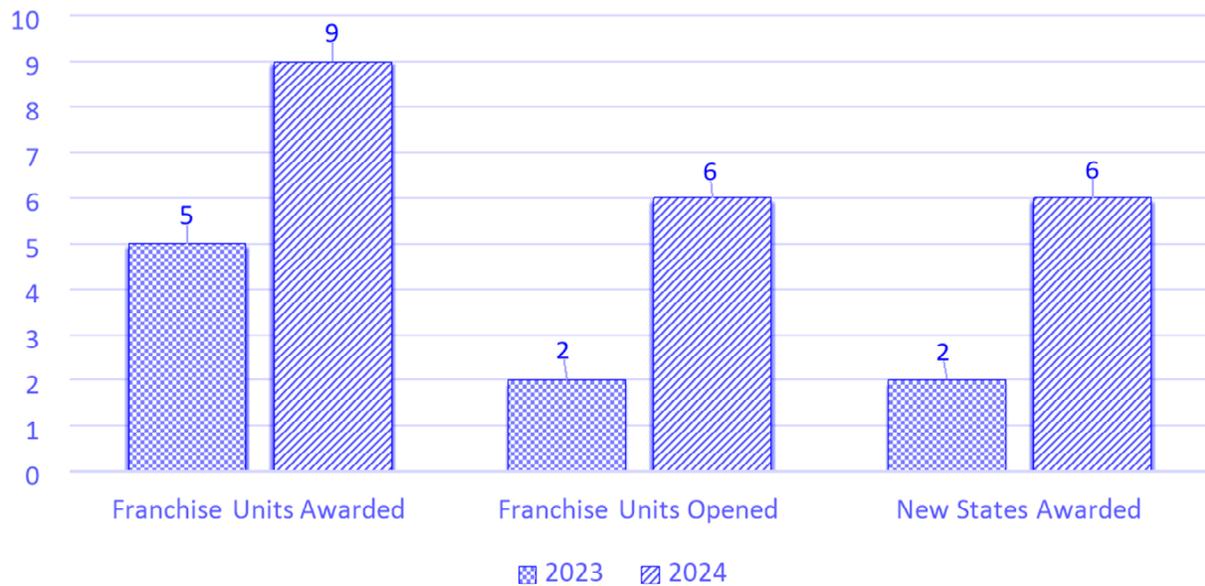


Table 9

(Added)

2024 Revenue by Year of Operation

Franchise Locations Open At Least 1 Full Year Only

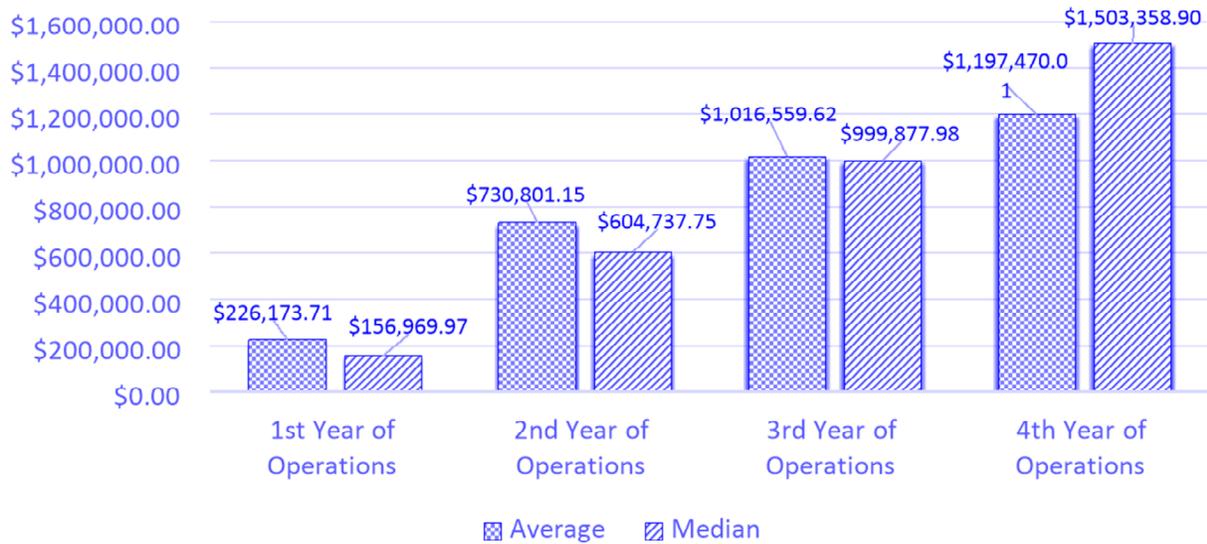


Table 10

(Added)

2024 Annual Franchise Location Revenue

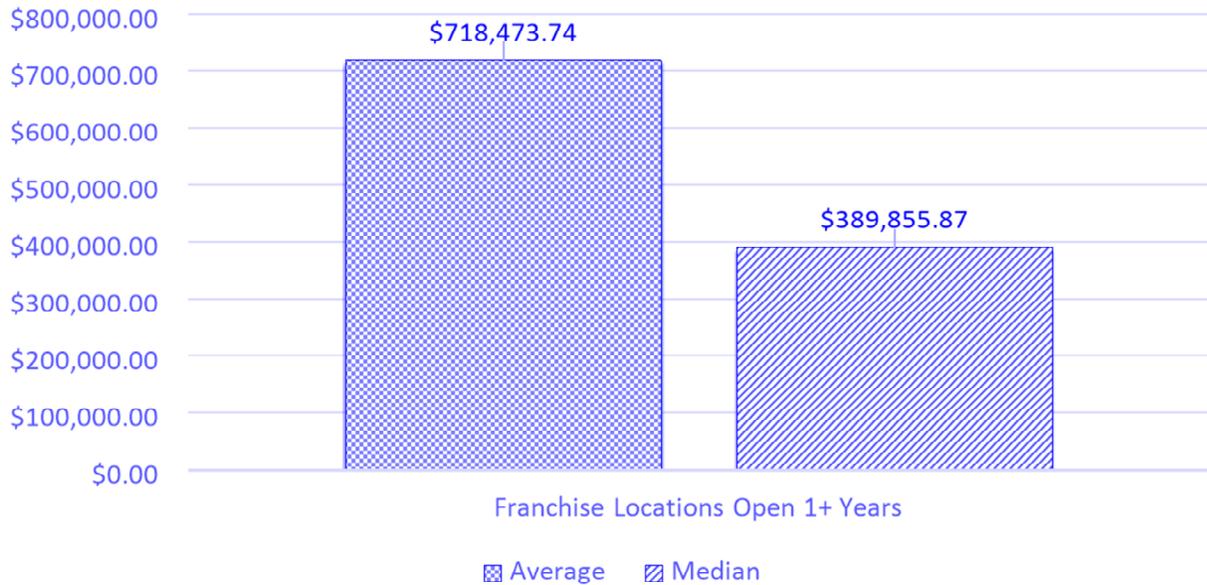


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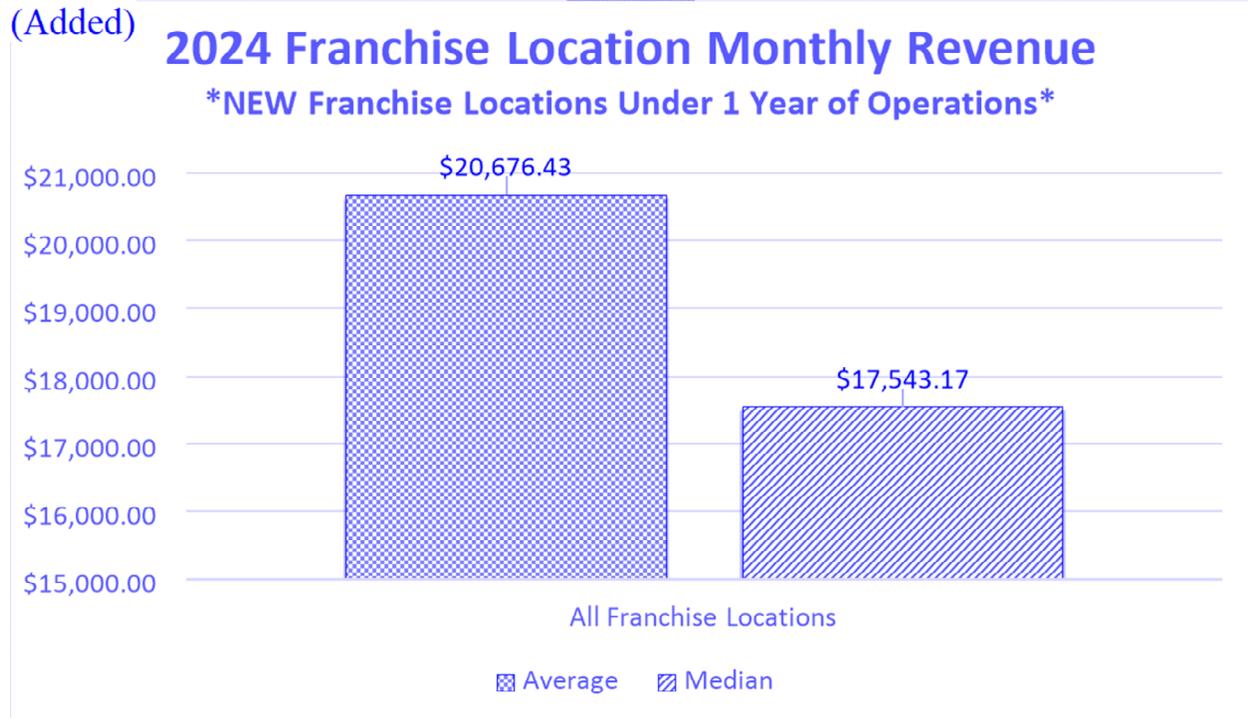


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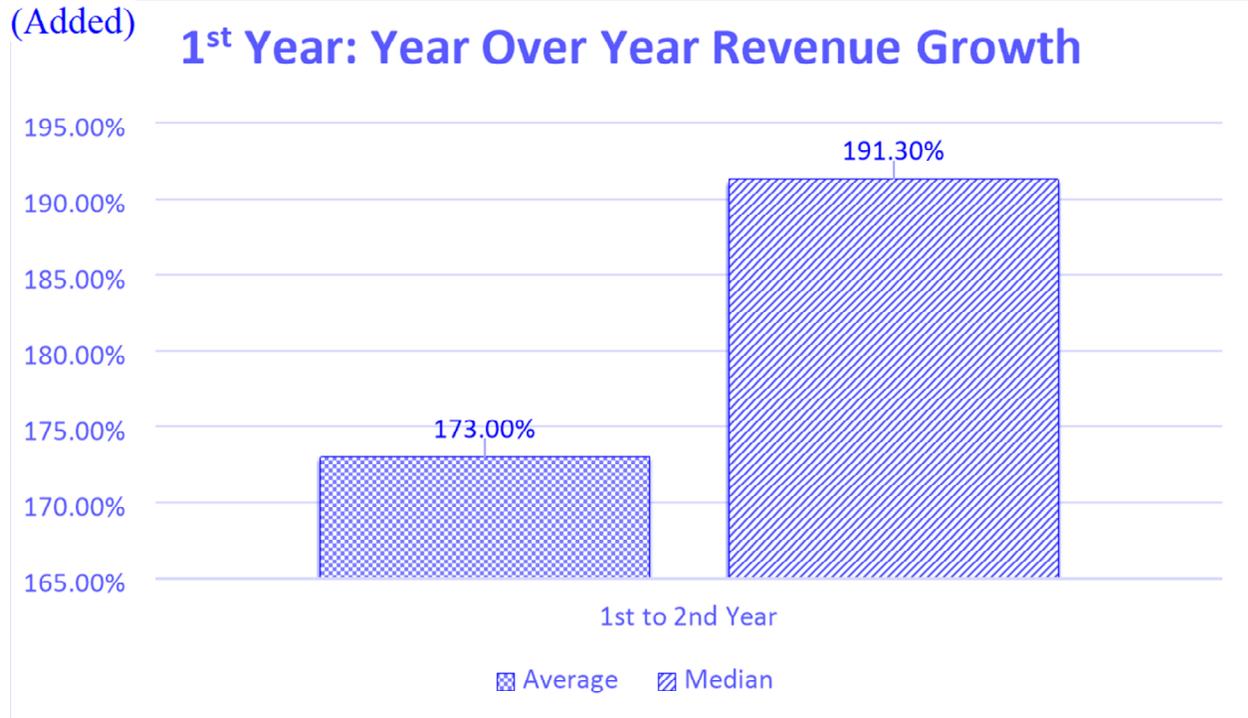


Table 13

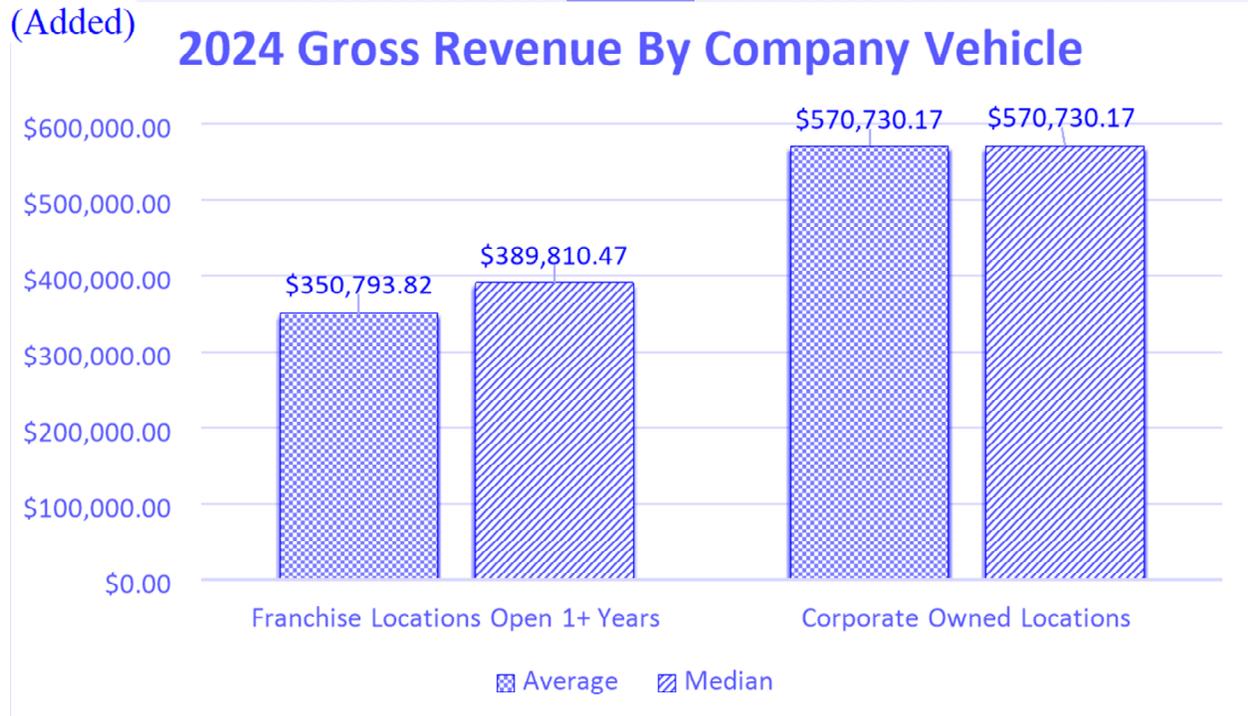


Table 14

(Added)

2024 Residential Retail Repairs Billable Transactions

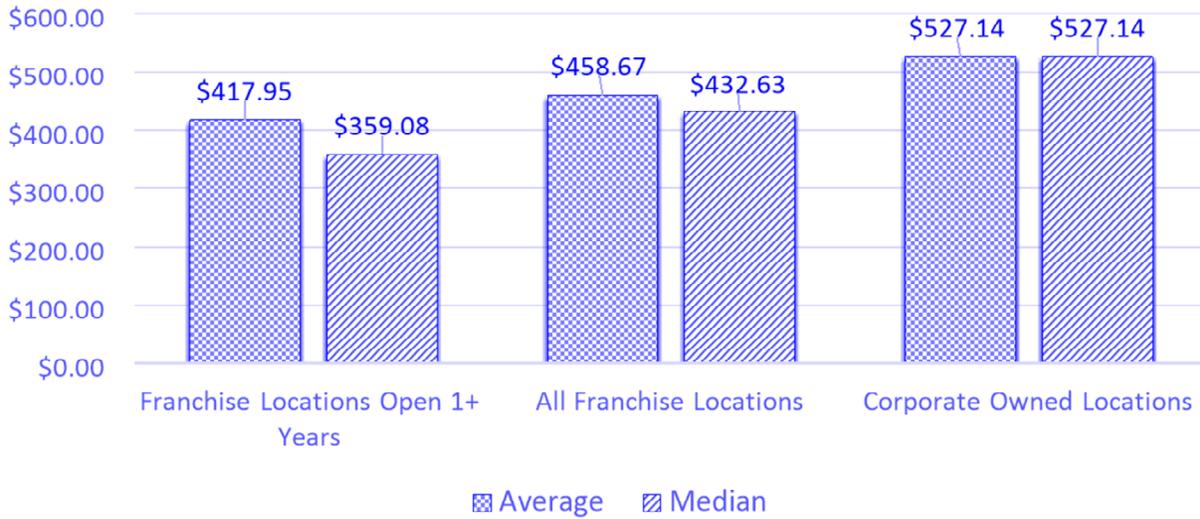


Table 15

(Added)

2024 Residential Retail Door Install Billable Transactions

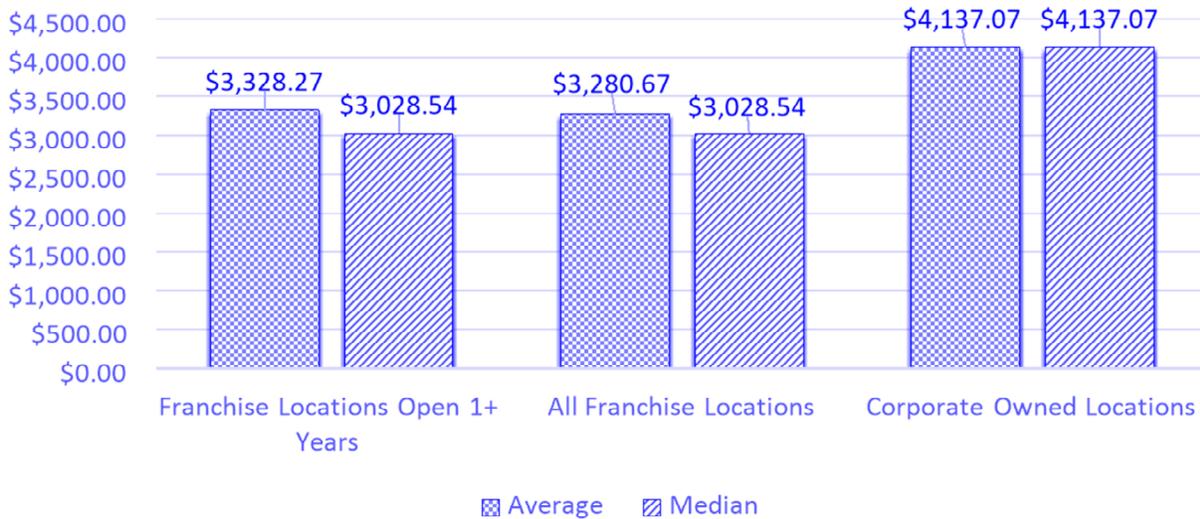


Table 16

(Added)

2024 Residential Contractor Door Install Billable Transactions

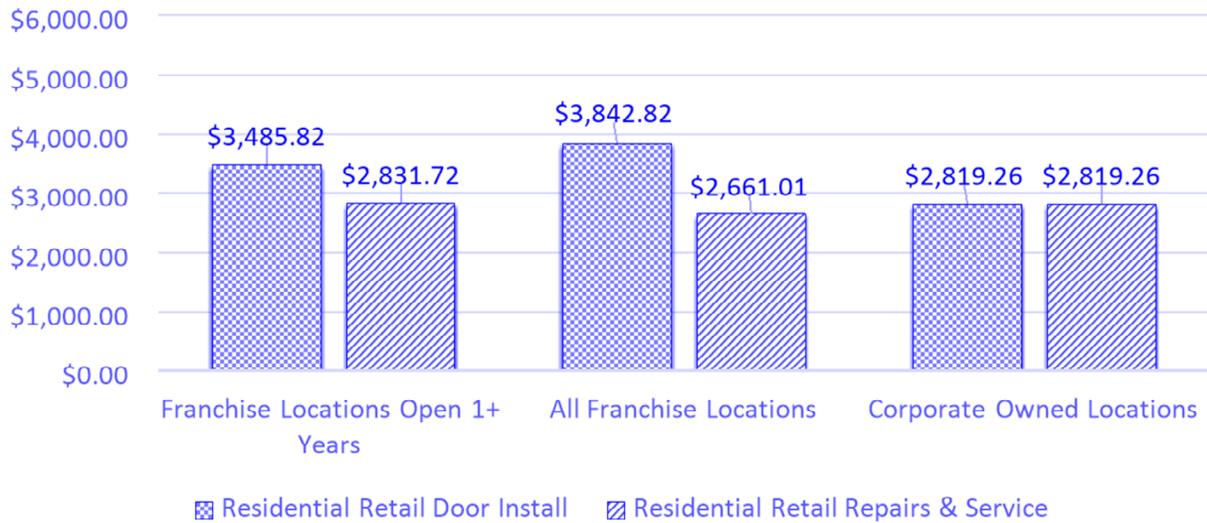


Table 17

(Added)

2024 Average Revenue Breakdown by Job Category

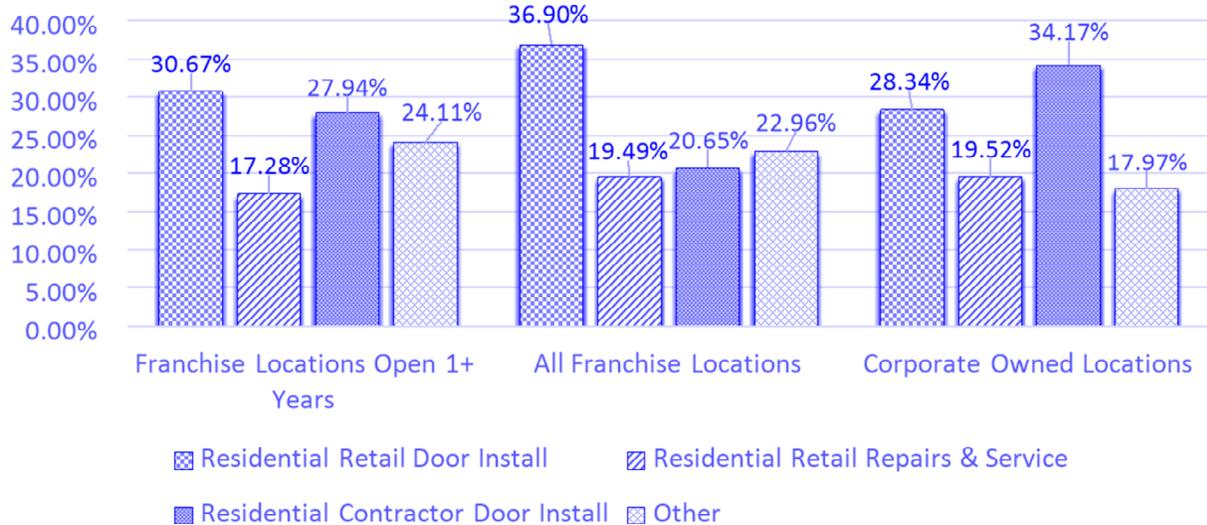


Table 18

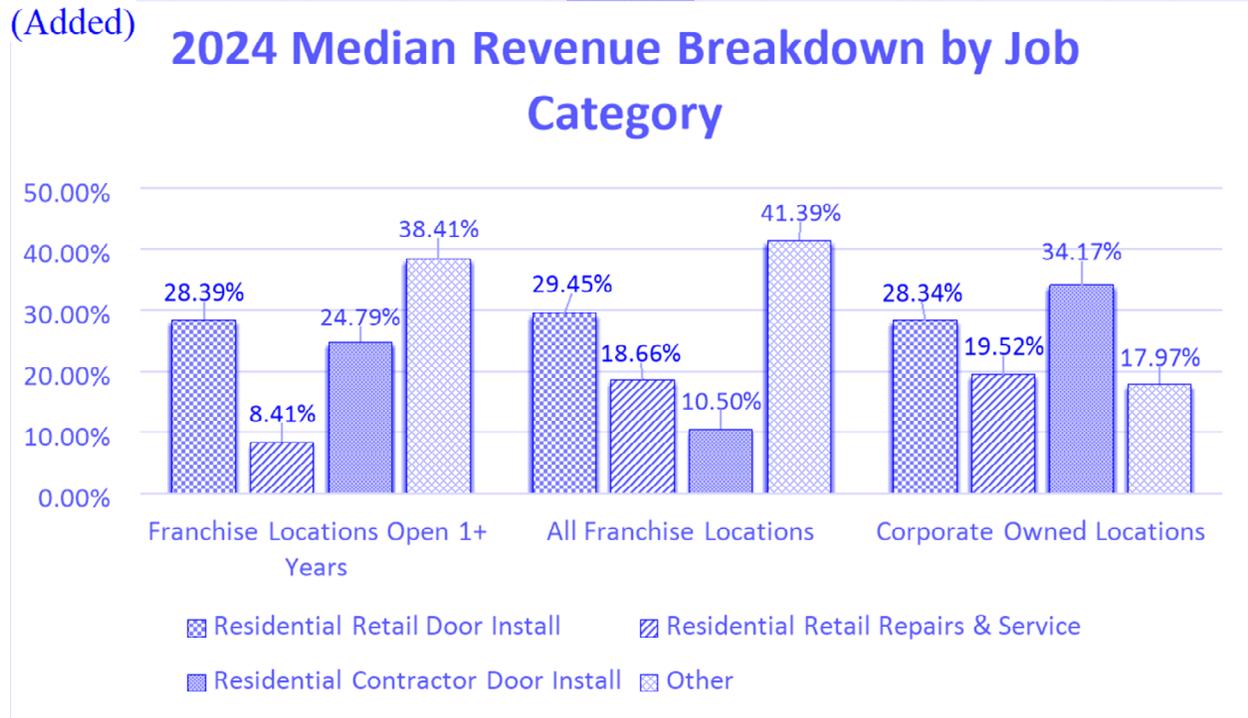


Table 19

(Added) **2024 Gross Profit (Revenue – Cost of Goods)**

Cost of Goods does NOT include labor

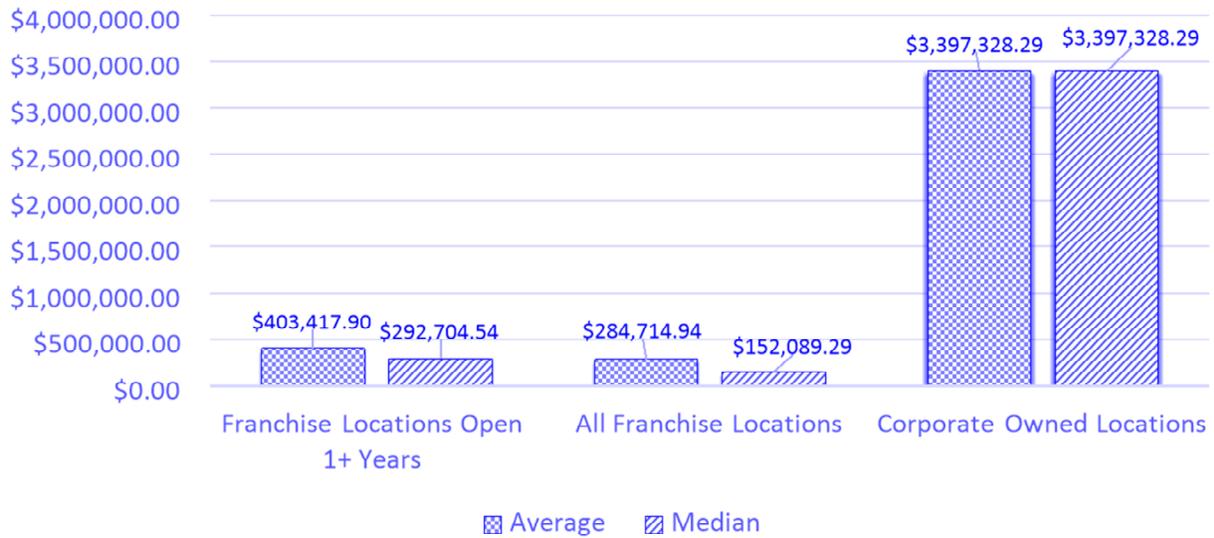


Table 20

(Added) **2024 Cost of Goods (COGS) Percentage of Revenue**

Cost of Goods Does Not Include Labor

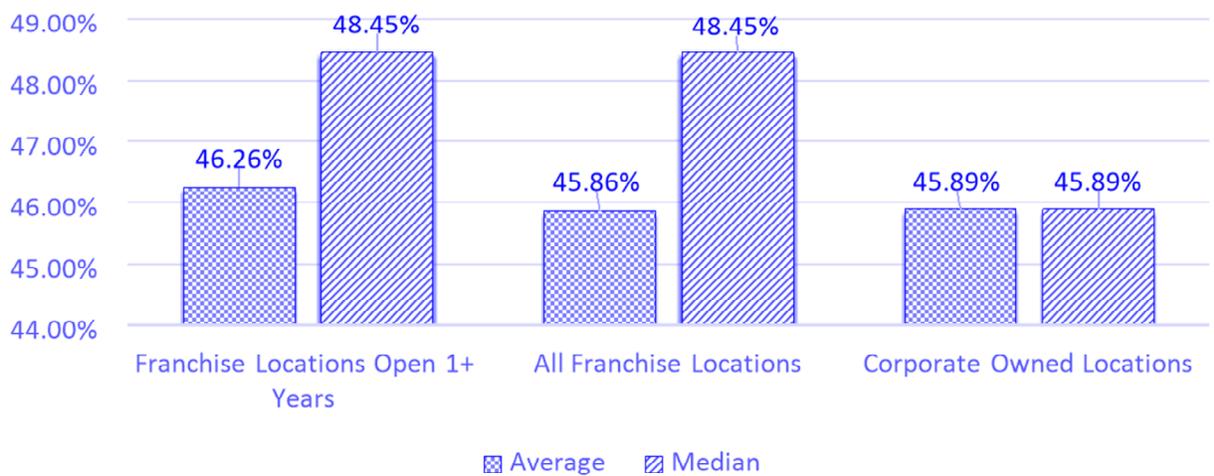


Table 21

(Added)

2024 Cost of Goods (COGS) Expenses

Cost of Goods Does Not Include Labor

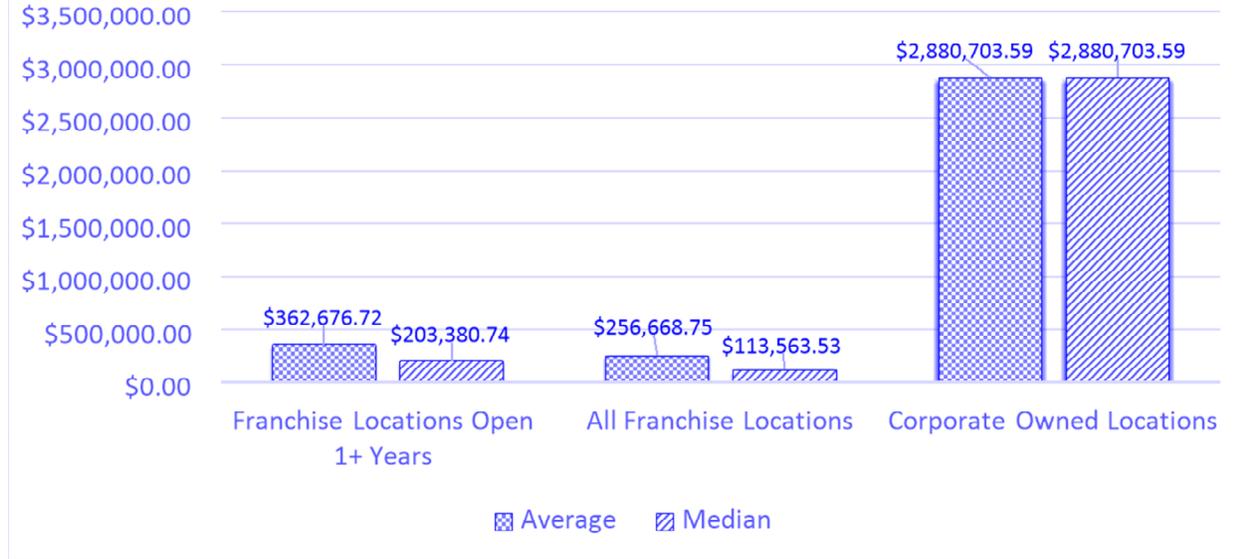


Table 22

(Added)

2024 Marketing Expenses Percentage of Revenue

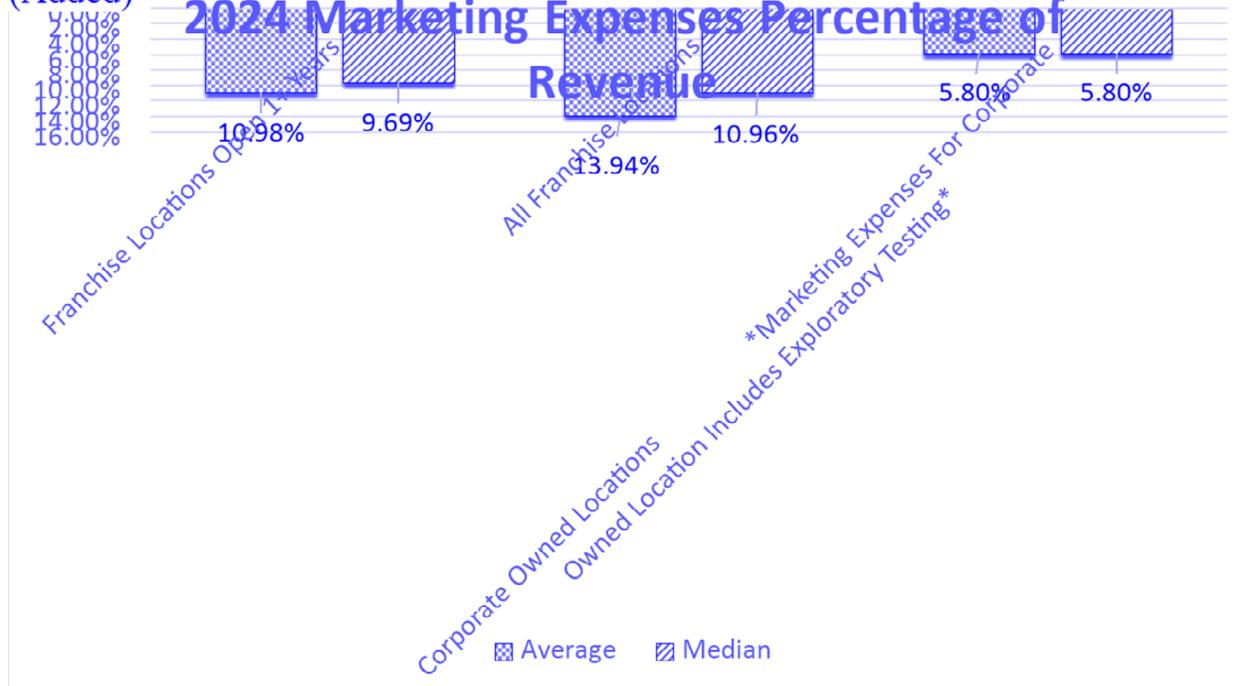
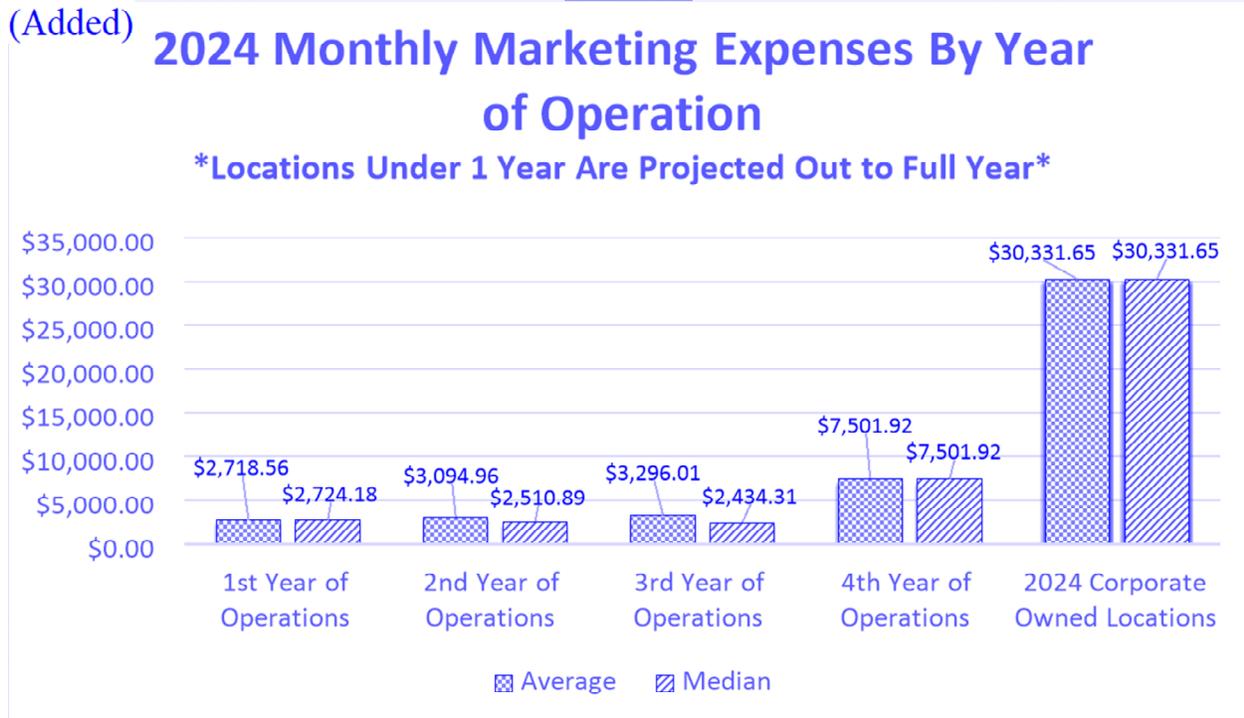


Table 23



Bases

These sales figures are derived from the actual historical performance of company owned operations. The sales figures, costs and advertising spend provided for franchisees were provided by franchisees and have not been audited by franchisor. These sales figures were achieved over calendar years 2024, 2023, 2022, 2021, and 2020 for the company affiliate reported, and the sales figures for the franchised outlets reported were achieved in 2024, 2023, 2022, and 2021.

Assumptions

Our study measured Access Garage Doors® company owned outlet operated by an affiliate in Chattanooga, Tennessee and surrounding areas. The market where your Access Garage Doors® franchised location is located, however, may be in a smaller urban or suburban area. Accordingly, the results achieved by this company owned outlet may not be typical for those in your area.

Further, the company owned outlet studied has been in business since 2005. The sales figures for the company owned outlet were derived from our own financial books and records.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System wide Outlet Summary
For Fiscal Years ~~2021~~2022 thru ~~2023~~2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	5	6	+1
<u>Franchised</u>	2022	6	5	-1
	2023	5	+7	+6
Company-Owned	2021 2024	+7	+13	0
<u>Company-Owned</u>	2022	1	1	0
	2023	1	1	0
Total Outlets	2021 2024	6	7	+1
<u>Total Outlets</u>	2022	7	6	-1
	2023	6	+2	+6
<u>Total Outlets</u>	<u>2024</u>	<u>8</u>	<u>14</u>	<u>6</u>

Table 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Fiscal Years ~~2021~~2022 thru ~~2023~~2024

State	Year	Number of Transfers
TN	2021 2022	0
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
	2022	0

State	Year	Number of Transfers
<u>FL</u>	2023	0
Total	2021 <u>2024</u>	0 <u>1</u>
<u>Total</u>	2022	0
	2023	0
	<u>2024</u>	<u>2</u>

Table 3
Status of Franchise Outlets
For Fiscal Years ~~2021~~2022 thru ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
AL	2021 <u>2022</u>	1	0	0	0	0	0	1
	2022 <u>2023</u>	1	0	0	0	0	0	1
	2023 <u>2024</u>	1	0	0	0	0	0	1
AZ	2021	0	0	0	0	0	0	0
<u>AZ</u>	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
CO	2021 <u>2024</u>	0 <u>1</u>	0	0	0	0	0	0 <u>1</u>
<u>CO</u>	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
FL	2021 <u>2024</u>	0 <u>1</u>	1 <u>0</u>	0	0	0	0	1
<u>FL</u>	2022	1	1 <u>0</u>	1 <u>0</u>	0	0	0	1
	2023	1	0	0	0	0	0	1
KS	2021 <u>2024</u>	0 <u>1</u>	0	0	0	0	0	0 <u>1</u>

	2022	0	0	0	0	0	0	0
<u>GA</u>	2023	0	<u>40</u>	0	0	0	0	<u>40</u>
KY	2021 <u>2024</u>	0	1	0	0	0	0	1
	2022	<u>40</u>	0	0	0	0	0	<u>40</u>
<u>KS</u>	2023	<u>40</u>	0	0	0	0	0	<u>40</u>
MN	2021 <u>2024</u>	0	1	0	0	0	0	1
	2022	1	0	<u>40</u>	0	0	0	<u>01</u>
<u>KY</u>	2023	<u>01</u>	0	0	0	0	0	<u>01</u>
MS	2021 <u>2024</u>	<u>01</u>	<u>01</u>	0	0	0	0	<u>02</u>
	2022	<u>01</u>	0	<u>01</u>	0	0	0	0
<u>MN</u>	2023	0	<u>40</u>	0	0	0	0	<u>40</u>
NJ	2021 <u>2024</u>	0	<u>40</u>	<u>40</u>	0	0	0	0
	2022	0	0	0	0	0	0	0
<u>MS</u>	2023	0	<u>01</u>	0	0	0	0	<u>01</u>
NC	2021 <u>2024</u>	1	0	<u>40</u>	0	0	0	<u>01</u>
	2022	0	0	0	0	0	0	0
<u>NJ</u>	2023	0	<u>40</u>	0	0	0	0	<u>40</u>
OH	2021 <u>2024</u>	<u>40</u>	0	<u>40</u>	0	0	0	0
	2022	0	0	0	0	0	0	0
<u>NC</u>	2023	0	<u>40</u>	0	0	0	0	<u>40</u>
PA	2021 <u>2024</u>	0	1	<u>40</u>	0	0	0	<u>01</u>
	2022	0	0	0	0	0	0	0
<u>OH</u>	2023	0	0	0	0	0	0	0
SC	2021 <u>2024</u>	0	1	0	0	0	0	1
<u>PA</u>	2022	<u>40</u>	0	<u>40</u>	0	0	0	0

	2023	40	0	40	0	0	0	0
TN	2021 2024	40	0	0	0	0	0	40
TN	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
UT	2021 2022	0	0	0	0	0	0	0
	2022 2023	0	0	0	0	0	0	0
	2023 2024	0	1	0	0	0	0	1
Total	2021 2022	5	51	41	0	0	0	65
	2022 2023	65	42	20	0	0	0	57
	2023 2024	57	6	0	0	0	0	44 13

Table 4
Status of Company-Owned Outlets*
For Fiscal Years ~~2021~~2022 thru ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
TN	2021 2022	1	0	0	0	0	1
	2022 2023	1	0	0	0	0	1
	2023 2024	1	0	0	0	0	1
Totals	2021 2022	1	0	0	0	0	1
	2022 2023	1	0	0	0	0	1
	2023 2024	1	0	0	0	0	1

*“Company-Owned Outlets” includes one non-franchised business location operated by our affiliates. These business locations are not part of the franchise system. They may be sold to others or to a franchisee in the future.

** Our fiscal year end is December 31. As of the December 31, ~~2023~~2024, our affiliates operated one non-franchised business at the locations listed below:

Access Garage Doors®
7335B Hixson Pike
Hixson, Tennessee 37343

Table 5
Projected Openings
as of December 31, ~~2023~~2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Current Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Florida	0	1	0
Georgia	0	1	0
Mississippi	0	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Current Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Nevada	0	1	0
New Jersey	0	1	0
Pennsylvania	0	1	0
Texas	0	1	0
Totals	0	7	0

A list of the names of all franchisees and the addresses and telephone numbers of their Access Garage Doors® business are listed as Exhibit G to this Disclosure Document. A list of the name and last known home address and telephone number of every franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during last Fiscal Year or who has not communicated with us within 10 weeks of our application date is attached as Exhibit H.

If you buy this Franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

At this time, there are no previously owned Access Garage Doors® franchised outlets for sale.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system.

At this time, there are no trademark specific franchisee organizations representing Access Garage Doors® franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Our certified, independent and audited financial statements for the period from January 1, ~~2021 to December 31, 2021, January 1, 2022~~ to December 31, 2022, ~~and~~ January 1, 2023 to December 31, 2023, and January 1, 2024 to December 31, 2024, are attached to this Disclosure Document as Exhibit I. Our fiscal year end is December 31.

B. Renewal

Franchisee shall have the option to renew this Agreement for ~~up to two~~ additional terms of five (5) years each, provided we are still offering franchises at that time, and further subject to the following conditions, all of which must be met prior to renewal:

1. Franchisee shall give us written notice of its election to renew not more than twelve (12) months and not less than six (6) months prior to the end of the then current term. We will respond to Franchisee's written notice to renew no later than thirty (30) days after receipt of such notice by email or any other form of written communication;
2. Franchisee must not be in default under any provision of the Agreement, any amendment hereof or successor hereto, or any other agreement between us and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;
3. Franchisee's right to renew is contingent on satisfactory performance of and full compliance with this Agreement and any renewal agreement. We may refuse to renew or extend the franchise if: (a) Franchisee has failed to use its best efforts to operate the Franchised Business to our satisfaction, as determined by us at our sole discretion; (b) the Franchise is terminable by law, regulation, or under this Agreement; (c) Franchisee fails to give timely written or email notice of its exercise of its renewal option; (d) we are withdrawing from franchising in the geographic market Franchisee serves; (e) Franchisee fails to satisfy our then-current standards for new franchisees or (f) Franchisee is in default of this Agreement.
4. Franchisee shall have satisfied all monetary obligations owed by Franchisee to us and our affiliates, if any, and shall have timely met these obligations throughout the previous term;
5. Franchisee shall execute, before the renewal term, our then-current form of Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement. We will not charge Franchisee any type of renewal fee for the same protected area outlined in Section VI or Territory above;
6. Franchisee's royalty rates will not start over after renewal. For all franchise renewals royalty payments will not start over and will continue at the Franchisee's current tier level defined by Franchisee's Royalty Month with the corresponding then-current royalty payment structure (as defined in Section X.A);
7. Franchisee shall comply with our then-current qualification and training requirements;
8. Franchisee must execute a general release, in a form prescribed by us as described in Section XXII.B of this Agreement, of any and all claims against us and our affiliates, and their respective officers, directors, agents and employees, if such release is not in conflict with any local, state or federal laws; and
9. Whether Franchisee operates the Business home-based or out of a small industrial or retail space, Franchisee shall upgrade, remodel and/or refurbish the Premises (both inside and outside) and maintain all vehicles in order to meet our then-current standard. All floor displays and signage (if applicable), vehicle graphics and all technology items

execution of this Agreement (the “Opening Date”). This includes securing a lease that has been approved by us (if Franchisee chooses to open a location such as a small warehouse or industrial space for the Business as described in Section XII.S). Prior to the Opening, it is Franchisee’s responsibility to obtain all necessary licenses and permits needed to perform the Services. We may, in our discretion, grant Franchisee one thirty (30) day extension past the allotted time within which to have Business operational and to start selling Products and/or performing Services.

Upon Franchisee’s failure to complete our initial training program and/or satisfy the Opening requirement within sixty (60) days from the Effective Date, or if Franchisee, its Owner ~~or manager,~~ General Manager or Operations Manager fails to complete the initial training program to our satisfaction we may, at our sole discretion, terminate the Franchise and this Agreement and retain all fees paid by Franchisee, without breach of this Agreement by us as specified in Section XXIII.C.

During the term of this Agreement, the Accepted Location shall be used exclusively for the purpose of operating a franchised Access Garage Doors® business. In the event the Premises shall be damaged or destroyed by fire or other casualty, or be required to be repaired, Franchisee shall commence the required repair of the Premises within thirty (30) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such governmental requirement), and shall complete all required repairs as soon as possible thereafter, in continuity, but in no event later than ninety (90) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the restored Premises will be that which existed just prior to the casualty; however, every effort should be made to have the restored Premises include the then-current image, design and specifications of an Access Garage Doors® business.

As between us and the Franchisee, the Franchisee shall bear the entire risk of any damage, loss, theft or destruction to the Premises from any cause whatsoever or requisition of the Premises by any governmental entity or the taking of title to the Premises by eminent domain or otherwise (collectively, “Loss”). The Franchisee shall advise us in writing within ten (10) days of any such Loss. No such Loss shall relieve the Franchisee of the obligation to pay Royalty Fees and all other amounts owed hereunder. In the event of any such Loss, we, at our option, may: (a) if the Loss has not materially impaired the Premises (in our reasonable Business Judgment), require that the Franchisee, upon our demand, place the Premises in good condition and repair reasonably satisfactory to us as mentioned above; or (b) if the Loss has materially impaired the Premises and is substantially destroyed (in our sole judgment), we may require the Franchisee to repair the existing Premises or find an alternative location within the Territory within thirty (30) days. We may extend this period an additional thirty (30) days at our discretion and failure of Franchisee to comply may result in termination of this Agreement. We may choose at our option if the Loss materially impairs the Franchised Business, to relieve the Franchisee of all obligations under this Agreement, and the Franchisee must return to us all items related to the System (including all materials) and we have the first right of refusal to purchase all Assets (as described in Section XXIV.G), but any such purchase price will be reduced to account for the Loss the Franchisee incurred.

It is understood and agreed that, except as expressly provided herein or pursuant to a separate executed agreement, this Agreement includes no right of Franchisee to sub-franchise.

C. Cooperation Required

Franchisee shall cooperate reasonably with us to ensure that the various actions occur, which is necessary to obtain acceptance by us of the Business location. In particular, Franchisee shall furnish any pertinent information as may be reasonably requested by us regarding Franchisee’s business and finances.

Franchisee also acknowledges that any additional cost for third party testing is Franchisee's responsibility.

Franchisee must obtain our written approval for any equipment, products, supplies, vendors or suppliers Franchisee desires to use, offer or sell in its Business that has not already been approved by us (Section XII.I of this Agreement). We will have thirty (30) days following the receipt of Franchisee's written request to approve or disapprove proposed equipment, products, supplies, services or vendors. Such approval or disapproval shall be made by email or any other form of written communication. We will provide such approval via email or any other form of written communication. If we do not approve the proposed products, vendors or suppliers and equipment by written communication to Franchisee within this thirty (30) day period, all such items will be deemed disapproved. Franchisee also acknowledges that the cost for third party testing is Franchisee's responsibility.

G. Operations Software

Franchisee is required to utilize operations software that we designate, and Franchisee must use the vendor we designate to secure this software. We or our affiliates are not currently approved vendors for operations software. The current monthly fee for the operations software is ~~\$299~~486, plus applicable taxes; and this amount is subject to change. The monthly fee is expected to be adjusted annually in November with the following monthly fee schedule expected: \$486 (November 2024-October 2025); \$534 (November 2025-October 2026); and \$587 (November 2026-October 2027). The subscription permits Franchisee ~~unlimited users~~ up to five (5) technician users. For additional technicians, the current monthly subscription fee is \$101 for each additional technician over five (5).

H. Administrative Fee

If you fail to comply with your obligations under this Agreement, we reserve the right to impose an administrative fee of \$100 for the first offense and the greater of our cost or \$200 for any subsequent offences. This fee will be due upon receipt of invoice.

XI. FINANCING ARRANGEMENTS

Franchisee hereby acknowledges that financing is the responsibility of the Franchisee. We do not finance or guarantee the obligations of the Franchisee for an Access Garage Doors® Business. The Initial Franchise Fee is due and payable upon execution of this Agreement and as set forth in Section IX.A of this Agreement.

XII. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of our System and adherence to our Operations Manual (the "Operations Manual" or "Manual"), in compliance with our standardized design and specifications for offering Products, performing Services, décor, floor displays and signage (if applicable), vehicle appearance standards and uniformity of the Business are essential to the image and goodwill thereof. You must exclusively use electronic mail address(es) issued by Franchisor for the Business when communicating with customers via electronic mail. The Manual contains mandatory and suggested specifications for the Business, standards and operating procedures and further define Franchisee's obligations under this Agreement. We may change or add to the Manual to reflect changes in our image, specifications and procedures and methods of operation and will lend Franchisee copies of any changes or additions. Franchisee shall cooperate and assist us with any consumer or marketing research program

that we may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, test marketing new Products, Services, purchasing a reasonable quantity of products or equipment to be tested, providing communication with us regarding such testing programs, the distribution, display and collection of customer surveys, customer comment cards, questionnaires, evaluations and similar items.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Marks provided to Franchisee by us for the operation of the Business and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees or independent contractors (if Franchisee chooses to use independent contractors), may conduct any other business other than that authorized pursuant to this Agreement, without our prior written approval. Neither Franchisee, nor any of its employees, may conduct any activity in the Business or in connection therewith which is illegal or which could result in damage to the Names and/or Marks or the reputation and goodwill of us. Franchisee will not allow the Franchised Business to be used for any immoral, unethical, unauthorized or illegal purpose.

Franchisee must conduct all business through Access Garage Doors® Business unless otherwise approved by us in writing. Franchisee must disclose to us any pre-existing businesses and if Franchisee is converting their existing business into an Access Garage Doors System® Business Franchisee agrees to sign and deliver to us, along with a signed copy of this Agreement, Schedule 2 "Pre-Existing Businesses," attached to this Agreement.

C. Comply with Laws

Franchisee shall comply with all federal, state and local laws, ordinances, consumer protection laws and regulations, wage and hour laws, labor laws, Workers' Compensation and unemployment laws, zoning laws, transportation laws, health and safety ordinances, laws and regulations that may be required for full and proper operation of the Business franchised under this Agreement in Franchisee's state of operation. There are also many state and local laws and regulations detailing how to define independent contractors for different purposes, such as tax, effect of applicable employment laws, unemployment compensation and workers' compensation that Franchisee is responsible for knowing (if Franchisee chooses to hire independent contractors). In addition to complying with all laws, Franchisee understands that there are some states that may require Franchisee to have a local contractor's license which may include bonding requirements. Franchisee understands that it is its responsibility to ensure that all Owners and employees (including independent contractors if Franchisee chooses to hire independent contractors) who will be performing Services have successfully obtained any licenses or certifications as required by its state to perform such Services. In addition to all other laws and regulations, Franchisee acknowledges that we may require that Franchisee, any Owner, ~~manager~~General Manager, Operations Manager or technician (at least one person in its Business) be lead-based paint certified by an accredited Environmental Protection Agency ("EPA") or state approved lead-based paint certification program and maintaining such certification. If we require such certification, failure of Franchisee to ensure that: (i) Franchisee, its Owners, employees (including independent contractors if Franchisee chooses to hire independent contractors) or anyone representing the Franchisee's Business have any type of valid license or certification required by its state to perform Services (specifically installation services) and if such Services are performed without such required license or certification; or (ii) Franchisee, any Owner, ~~manager~~General Manager, Operations Manager or technician (at least one person in its Business) be lead-paint based certified; or (iii) failure of Franchisee to ensure that either Franchisee, any Owner, ~~manager or~~General Manager, Operations Manager or technician that has such lead-paint certification

viewed by the public will conform to the uniform corporate image, as may be prescribed by us from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions, which we may reasonably specify.

If at any time, in our sole and absolute discretion, the general state of repair, appearance or cleanliness of the Premises or its equipment, fixtures, furnishings, floor displays and signage (if operating out of a location such as an industrial or retail space) and vehicle graphics does not meet our standards, Franchisee expressly agrees that we have the right to notify Franchisee, specifying the action Franchisee must take to correct the deficiency. If Franchisee does not initiate action to correct such deficiencies within ten (10) days after Franchisee receives notice from us, and then does not continue in good faith and with due diligence, a bona fide program to complete any required maintenance and refurbishing, we have the right, in addition to all other remedies, to enter the Premises (only if operating out of a small industrial space, retail space or any type of location other than Franchisee's home) and do any required maintenance or refurbishing on Franchisee's behalf, and Franchisee agrees to reimburse us on demand for any expenses we incur.

Franchisee shall maintain and renovate the Premises at its expense, to conform to our design, trade dress, color schemes, and presentation of Marks consistent with our designated image, including, without limitation, remodeling, redecoration and modifications to existing improvements (if applicable).

F. Maintain Competent Staff

We will create and make available to Franchisee and its Owners, if Franchisee is an Entity, training programs and other selected training materials as we deem appropriate. Franchisee must staff a position to have day-to-day supervision for the entire operation and management of the Business (referred to as "General Manager or Operations Manager"). Franchisee's General Manager or Operations Manager must devote all of his or her time and effort to the personal supervision of the Business, must be present at the Business whenever it is open for operation and must use his or her best efforts in the operation of the Business. Franchisee's General Manager or Operations Manager must have successfully completed our mandatory training and meet our then-current standards. The General Manager or Operations Manager may, but need not, be Franchisee or one of the Owners of the Business; however, this does not relieve Franchisee of its responsibility. Franchisee's General Manager or Operations Manager must be readily and continuously available to us. Franchisee will keep us advised, in writing, of all management personnel involved in the operation of the Business and upon termination of its General Manager or Operations Manager Franchisee must appoint a successor within sixty (60) days. Franchisee must replace and train a replacement General Manager or Operations Manager (who we may disapprove in our sole and absolute discretion) in accordance with our training program, at its expense. Replacement General Managers or Operations Managers or any other manager may attend our training program for a fee and subject to space availability. Currently the fee is up to five hundred dollars (\$500) per person per day plus Franchisee's expenses and any third-party charges as described in Section XX.A of this Agreement. Franchisee or its General Manager or Operations Manager is responsible for all travel, room, board and food. We have the right to require that Franchisee's General Manager or Operations Manager be at the Business for any inspection we, our affiliates or third parties conduct.

Franchisee acknowledges that it is Franchisee's sole and absolute responsibility to hire and train all salespersons, technicians, administrative staff, etc. ("Employees") to sell Products and perform Services according to our standards as outlined in the Operations Manual and Section XX.E of this Agreement. Franchisee, any Employee and independent contractor Franchisee uses (if Franchisee chooses to hire independent contractors) are prohibited from providing any type of service that require certain certifications or licenses that have not been approved by us in writing. If required by us, Franchisee must ensure that either Franchisee, any Owner, General Manager or Operations Manager or

such additions, modifications and changes at Franchisee's expense within ninety (90) days of receiving such notice. Additional products, services or programs Franchisee desires to sell and/or offer in its Business must be authorized in writing by us (as described in Section XII.I). Failure of Franchisee to adhere to our approved Products, Services and programs that Franchisee is authorized to sell, offer and perform according to our standards and specifications and/or to adhere to any additions, modifications or changes to such standards and specifications after receiving written notice from us (as described above) will be considered to be in breach of this Agreement and we, in our sole discretion, may terminate this Agreement as described in Section XXIII.C.

Franchisee cannot implement, offer or sell any other product, service or program unless approved by us in writing. We will respond to Franchisee's request to implement, sell or offer a new product, service or program by email or any other form of written communication within thirty (30) days from the date the request is received. Such approval or disapproval shall be made by e-mail or any other form of written communication. We shall have the right to require, as a condition of our approval and review, that Franchisee submit to us all materials and supporting documentation describing the product, service or program Franchisee wishes to implement, offer and/or sell in its Business. The cost of such investigation for approval shall be paid by the Franchisee (if applicable), and we shall have no liability for denying Franchisee's request. Failure of Franchisees to adhere to these guidelines will result in termination of this Agreement as specified in Section XXIII.C.

Franchisee must have a reliable white, black or red colored ~~long bed~~ pick-up truck with bed boxes and a ladder rack with PVC pipe carrier or a van similarly equipped with a ladder rack (~~referred to as and PVC pipe carrier~~ ("Vehicle")) ~~to perform Services and travel to job sites for your Business to transport equipment, products, supplies~~. Franchisee can purchase any type of used or new Vehicle for its Business; however, we require that all Vehicles meet our vehicle appearance standards (which include vehicle graphic specifications). Franchisee can use its existing Vehicle so long as such Vehicle meets our color and appearance standards. Our Vehicle appearance standards will be given to Franchisee during the initial training program. Unless otherwise approved by us, we require that any Vehicle Franchisee operates must not be more than twenty (20) years old and must meet our appearance standards as outlined in the Operations Manual. Franchisee is responsible for the cost of the Vehicle and installation of all vehicle graphics. Vehicle graphics must be purchased from us, our affiliates or approved vendors or suppliers. Franchisee must maintain the Vehicle as outlined in Section XII.U of this Agreement.

Franchisee must accept credit and debit cards and may choose to use other payment systems and check verification services as specified by us, which we may change from time to time. Franchisee will honor any incentive, coupon, rewards or loyalty programs, which we may institute from time to time, and Franchisee shall do so in compliance with our standards and procedures for such programs to the extent permitted by the laws of Franchisee's state. These programs may include, without limitation, membership programs, repetitive use for service and/or product programs, co-op programs and other local and national activities. Franchisee's full and complete participation in such programs are required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense

Franchisee agrees to fully comply with all mandatory specifications, standards, operating procedures and rules in effect which may change from time to time relating to: offering and selling Products and performing Services and programs (such as our Service Guarantee and Warranty Programs); safety, maintenance, cleanliness, sanitation, function, Vehicle appearance standards (including vehicle graphics) and appearance of the Business including all furnishings, fixtures, floor displays, décor and signage (if operating out of a location such as an industrial or retail space); usage of: equipment, technology items and third-party software. Franchisee must comply with our required procedures for selling Products, executing Service and must purchase all equipment and products only from our approved vendors (as described in Section XII.I). Additional equipment, products and vendors

approved for use by us at the time of the renewal of this Agreement. The color, size, design and location of said signage shall be as specified and/or approved by us. Franchisee shall not place additional signs, posters, newspaper racks, video games, juke boxes, gaming machines, gum machines, any type of games or rides, vending machines or other similar devices and décor items in the Business without our prior written consent.

K. Participation in the Operation of the Business

Franchisee acknowledges that an Access Garage Doors® business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. Franchisee acknowledges that we have not represented that this business is going to be easy for Franchisee (or any of its Owners) and agrees to participate in the day-to-day operation of the Business. Franchisee may assign the supervision of the Business to an Owner or General Manager or Operations Manager once approved by us. Franchisee agrees that the General Manager or Operations Manager will supervise all Employees and independent contractors (if Franchisee chooses to hire independent contractors). The General Manager or Operations Manager will also be responsible for providing continuing guidance, oversight, day-to-day management, instruction and properly process all reports or complaints.

L. Advertising the Business

Franchisee agrees to create a local advertising and marketing plan by which Franchisee shall place local advertising in any media it desires, provided that such advertising conforms to our standards and requirements as set forth in the Operations Manual or otherwise designated by us. Such advertising may include but is not limited to: Any type of media (media advertising is further described below), telephone, email, Internet, domain name, electronic network, directory and listings of the Business per our written approval. All items mentioned are our property and on termination will revert to us. Franchisee agrees to execute any and all documents needed to perfect such reversions. Franchisee shall not advertise the Business in connection with any other business, except with our prior written approval. Franchisee shall obtain our prior approval of all unapproved advertising and promotional plans and materials that Franchisee desires to use thirty (30) days before the start of any such plans. Franchisee shall submit such unapproved plans and materials to us (by personal delivery, through the mail with return receipt if requested or any method we prescribe). Franchisee shall not use such plans or materials until they have been approved by us and shall promptly discontinue use of any advertising or promotional plans and material upon our request. Any plans or materials submitted by Franchisee to us, which have not been approved or disapproved in writing, within thirty (30) days of receipt, by us, shall be deemed not approved.

Franchisee will not independently advertise or promote the Business in any media (including on any Websites as defined in Section VI) without our prior written approval. If given permission, Franchisee can use any materials previously approved by us. Franchisee must submit a request to us to use unapproved materials (such as photographs or video presentations) for any type of media promotion in addition to any edits, changes or updates to Franchisees website and all such edits, changes or updates must be performed by us, its affiliates or approved vendors. We shall approve or deny Franchisee's request, which approval is in its sole discretion, within thirty (30) days of receipt of Franchisee's written request. If we fail to respond to Franchisee's request within said thirty (30) day period, Franchisee's request shall be deemed denied. Franchisee will participate in, at its own expense, and cooperate with all advertising and promotional programs we or any advertising group of franchisees selects, including any franchise marketing council we may implement. Franchisee is not required to follow or maintain any special pricing for Products or rates for Services, except that we will set minimum and maximum prices and/or rates and will suggest rates and prices, to the extent allowed by federal or state law.

to determine if such equipment or samples meet our then-current standards and specifications. We have the right to require that Franchisee's General Manager or Operations Manager be at the Business for any inspection we, our affiliates or third parties conduct. In addition, we may use secret shoppers to inspect and ensure that unauthorized equipment, products or services are not being used, offered, sold or performed. Franchisee shall cooperate fully with our representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from us or our agents, and without limiting our other rights under this Agreement, shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to promptly correct immediately any deficiency detected during such inspection, we shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. The foregoing shall be in addition to any other remedies we may have pursuant to this Agreement.

R. Additional Requirements for Corporate Franchisee

If Franchisee is or becomes a corporation, limited liability company, general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee shall confine its activities to the establishment and operation of the Business;
2. Franchisee's Certificate, Articles of Incorporation or Articles of Organization, Certificate of Formation, Shareholders Agreement, Operating Agreement, Partnership Agreement Business Trust Agreement, and/or Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to the operation of the Business and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish us promptly upon request copies of Franchisee's Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, Business Trust Agreement, Shareholders Agreement, and other governing documents, and any other documents we may reasonably request, and any amendments thereto, from time to time;
3. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock or other ownership interest in Franchisee and shall furnish such list to Franchisor upon request;
4. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) or the certificate of any other entity evidencing ownership except in accordance with the provisions of Section XV of this Agreement. All securities or other ownership interests issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF THIS FRANCHISE AGREEMENT WITH OPEN DOORS, INC. AS OF THE SIGNING DATE. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS CORPORATION (IF THE FRANCHISEE IS A LIMITED LIABILITY COMPANY, REFERENCE WILL BE MADE TO

furnishings, fixtures, floor displays, signage, decor, paint and we have given Franchisee written approval to open, which approval shall not be unreasonably withheld. Our approval to open the Business for operation does not constitute a waiver of our right to require Franchisee to conform the Business to our standards.

U. Maintain Appearance of Vehicle

Franchisee acknowledges and agrees that the design, layout, appearance and other characteristics of the Vehicle (any type of new or used white, black or red colored long bed truck with bed boxes and a ladder rack or a van with a ladder rack as described in Section XII.H of this Agreement and as specified in the Operations Manual) to be used in the operation of an Access Garage Doors® business may constitute and/or contain our proprietary information or property. Franchisee agrees that the Vehicle shall be maintained and operated as follows:

1. Franchisee will maintain the Vehicle and every component of the equipment in good order and repair at all times as specified in the Operations Manual;
2. Franchisee will keep the Vehicle fully registered and roadworthy in accordance with applicable laws;
3. Franchisee will keep the Vehicle fully insured as specified in the Operations Manual.
4. Franchisee will keep the Vehicle at all times in a clean and tidy condition and free of any advertising or promotional material other than that required by law or the Operations Manual and will exhibit only approved graphics, signage, design, colors and logos on the Vehicle; and to upgrade or review the same as is specified in the Operations Manual;
5. Franchisee will not alter or in any way amend the appearance of the Vehicle unless as specified in the Operations Manual or approved by us;
6. Franchisee will maintain and upgrade the Vehicle as specified from time-to-time in the Operations Manual so as to always use our then-current vehicle specifications for an Access Garage Doors® Business;
7. We strongly recommend that Franchisee uses an approved service center for repairs and maintenance of the Vehicle; and
8. Franchisee will drive, park and store the Vehicle in a safe and legal manner and location at all times.

V. Training

Prior to Franchisee's opening of the Business for operation, Franchisee, its Owners or General Manager or Operations Manager shall complete to our satisfaction the ten (10) day training program within sixty (60) days after signing this Agreement. We may, at our discretion, make available additional training programs, certifications, seminars, as well as refresher courses available to the Franchisee and/or Franchisee's designated individual(s) from time to time. We may, at any time, discontinue management training and decline to certify Franchisee and/or Franchisee's designated individual(s) who fail to demonstrate an understanding of the management training acceptable to us. If Franchisee or Franchisee's designated individual's management training is discontinued by us, Franchisee shall have thirty (30) days to present an alternative acceptable candidate for management training to us. If Franchisee's new

candidate does not adequately complete the management training, then we shall have the option of terminating this Agreement. We shall provide instructors, training materials for all required training programs; and Franchisee or its Owners and General Manager or Operations Manager who attend the training shall be responsible for all other expenses incurred in connection with any training programs, including without limitation, the cost of transportation, lodging, meals and wages.

W. Ongoing Training and Support.

Franchisee will have access to our personnel for questions, ongoing training and support by phone and e-mail during regular business hours (Eastern Time Zone). We will continue to consult with and advise Franchisee on Products, Services, programs and operational matters; provide a dedicated phone line to all our franchisees (free of charge) to answer any questions from Franchisee or its staff (Section XX.A of this Agreement), provide the Manual specifications in addition to vendor, supplier, product, equipment, marketing and operational updates as they become available; review advertising and supplier approval requests; and administer the System Advertising Fund.

XIII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Overall Coverage Required

Before Franchisee opens its Business, Franchisee must purchase insurance coverage from a responsible carrier with a performance rating of A or higher as rated in the most recent edition of Best Insurance Reports (or comparable criteria as we may specify). Franchisee must maintain such insurance throughout the duration of the initial term of the Franchise Agreement and any renewal terms. Franchisee will procure and maintain general liability insurance and product liability insurance (covers Franchisee for damages that result in injury from products that Franchisee distributes) with minimum policy limits of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate or in amounts specified by us. Franchisee must also procure and maintain “All Risks” or “Special Form” insurance (coverage for the full cost of replacement of the Premises and all other property); business interruption insurance to fully insure loss of earnings for a period of one hundred eighty (180) days or longer as we may specify; and automobile liability insurance that includes hired and non-owned coverage with a minimum policy limit of five hundred thousand dollars (\$500,000) including uninsured motorist/minimum of one hundred thousand dollars (\$100,000) or what is in accordance with Franchisee’s state guidelines. Franchisee may also need to procure and maintain statutory workers’ compensation insurance with limits of greater than one hundred thousand dollars (\$100,000) or the minimum limits required by law. Each insurance policy that we require under this Agreement must contain a provision that the policy cannot be canceled without thirty (30) days’ written notice to us.

For any construction, renovation, refurbishment or remodeling of the site, Franchisee may be required by us to require that its general contractor maintain, with an approved insurer, commercial general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builders’ risk and independent contractor’s coverage) with limits of no less than one million dollars (\$1,000,000) per claim, naming Franchisee and us as additional insureds, as their interests may appear, together with workers’ compensation and employer’s liability insurance as required by law. It is Franchisee’s responsibility to obtain certificates of insurance from the contractor prior to the initiation of any construction.

To the extent available, we may require Franchisee to obtain: professional liability insurance (covers Franchisee for damages that do not result in property or bodily injury), employer’s liability insurance, employment practices liability insurance, employee dishonesty insurance and crime insurance

programs; advertising, marketing and promotional materials, operational strategies of the Business and our Operations Manual. Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement and that our methods are unique and novel to the System. Franchisee acknowledges that Confidential Information shall also include:

1. Persons, corporations or other entities, which are, have been or become franchisees of the System and any investors therein;
2. Persons, corporations or other entities, which are, have been or become customers and/or accounts of Business;
3. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;
4. The operating procedures of the System, including without limitation: knowledge of all Products, how to design garage system and specific methods for executing Services; best practices for managing inventory, using our proprietary tracking processes and controlling costs; how to maintain service standards and properly perform installations, manage quality control, effectively schedule and route jobs; managing Employees and independent contractors (if Franchisee chooses to hire independent contractors); how to use our intranet system and online educational platform; how to use contracts, forms and waivers; and how to implement record keeping and accounting procedures in addition to specific sales strategies and executing our proprietary sales presentations,
5. The economic and financial characteristics of the System and franchisees, including without limitation: pricing policies, profitability, earnings and losses and capital and debt structures;
6. The Products and Services offered to customers and accounts of an Access Garage Doors® business, including, without limitation, the scope of products offered, services performed and services refused as well as all future product, equipment and service development plans, marketing strategies; and
7. All documentation of the information listed in Sections XVI.A.1 through XVI.A.7 including, without limitation, our training program and Operations Manual. During the term of this Agreement and for a period of five (5) years, following the expiration or termination of this Agreement, Franchisee (including anyone related to Franchisee) agrees not to use, divulge, directly or indirectly, any Confidential Information, without our prior written consent. Nothing contained herein shall be construed so as to allow Franchisee to divulge any secret processes, formulas, or the like.

B. Franchisee's Employees Will Not Disclose Confidential Information

Franchisee must keep the methods of operations (confidential information found in the Manuals and other documents) and other materials confidential and not disclose them except to Franchisee's employees, agents and representatives, as they must have access to it in order to operate Access Garage Doors® business. Franchisee must follow all our security procedures, which include the execution and delivery to us of approved nondisclosure or non-competition agreement from its General Manager or Operations Manager within one week after being hired. These agreements state that such person shall not during the course of his/her employment, representation, or agency with Franchisee, or for a period of

permitted by law, the right to interpose the defense that we have an adequate remedy at law. Franchisee further waives any requirement that we post a bond or other security, to the extent permitted by law.

G. Covenants Are Enforceable Independent of Claims

Franchisee expressly agrees that the existence of any claim it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants of this Section XIX. Franchisee further agrees that we shall be entitled to set off any amounts owed by us to Franchisee against any loss or damage to us resulting from Franchisee's breach of this Section XIX.

H. Set-Off

Franchisee expressly agrees that the existence of any claims it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section XIX. Franchisee agrees to pay all damages, costs and expenses (including reasonable attorney's fees) incurred by us in connection with the enforcement of this Section XIX.

I. Disclosure of Contact Information in FDD

Franchisee acknowledges that its contact information will be included in our Franchise Disclosure Document in the future, as required by Tennessee and other state agencies and the Federal Trade Commission and that such inclusion may result in prospective franchisees contacting Franchisee.

XX. OBLIGATIONS OF THE FRANCHISOR: SUPERVISION, ASSISTANCE AND SERVICES

We will provide the Franchisee with the following assistance and services:

A. Training Programs

We will provide Franchisee a self-study program (and all related materials) immediately after executing the Franchise Agreement and will provide Franchisee with an initial training program at our headquarters or another location of our choice. The initial training program will take place after Franchisee pays the Initial Franchisee Fee. We will provide this initial ten (10) day training program without charge to Franchisee and/or up to two of its Owners and/or General Manager or Operations Manager (total of three people) as designated by Franchisee and before the date Franchisee anticipates the Opening of the Business (as defined in Section IX.B). Such training must occur within sixty (60) days after executing this Agreement. Franchisee will, however, be responsible for travel, accommodation and other costs for all its attendees. Franchisee must attend and satisfactorily complete training prior to Franchisee conducting business and opening the Business for operation. If Franchisee, its Owners or General Manager or Operations Manager fails to timely complete the initial training program to our satisfaction, Franchisee has the right to appoint another General Manager or Operations Manager to be trained by us at Franchisee's expense and if the other General Manager or Operations Manager does not satisfactorily complete the training to our satisfaction, then we may terminate this Agreement as described in Section XXIII.C. Any Owner and/or General Manager or Operations Manager designated by Franchisee as a replacement must be trained by Franchisee or can be trained by us within thirty (30) days of first employment, at Franchisee's cost as provided below. For a second or subsequent franchise, we will not be obligated to provide additional training to Franchisee.

We may reasonably require Franchisee, its Owners and/or General Manager or Operations Manager to receive or attend and complete to Franchisor's satisfaction additional or advanced training

from time to time. Any such training before the Opening (as defined in Section IX.B) of the Business will be at no charge to Franchisee. Thereafter, Franchisee must pay for any in-person training at our actual cost of up to five hundred dollars (\$500) per person per day, plus any third-party charges. Franchisee must also pay travel, food, and accommodations and all other related expenses. We may attempt to use distance learning techniques where possible, to minimize these costs.

Depending on availability, we may provide additional training to Franchisee or its Owners and/or General Manager or Operations Manager at Franchisee's request. Franchisee may be required to pay us any additional costs over and above the additional training fees such as travel that we reasonably incur should training be held at Franchisee's Business. If additional training is held at our corporate headquarters, Franchisee will be responsible for travel, food and accommodations and other expenses of its trainees. We will not permit anyone other than Franchisee or its Owners and/or General Manager or Operations Manager to attend training.

We offer training resources, such as an Operations Manual, to assist franchisees at their business location. Franchisee acknowledges that its compliance with the Operations Manual is vitally important to us and other System franchisees and is necessary to protect our representation and the guidance of the Names and Marks and to maintain the uniform quality of operation throughout the System. However, while the Operations Manual is designed to protect our reputation and the goodwill of the Names and Marks, the Operations Manual is not designed to control the day-to-day operation of the Business. Franchisee shall give us not less than fourteen (14) days' notice of when Franchisee is available for training. Training dates must be mutually agreed upon by Franchisee and us.

- i. We shall also offer additional training resources to the Franchisee to be determined by us, for the operation, advertising and promotion of the Business including refresher training programs, seminars, workshops, annual conference and/or information available through the intranet system for the benefit of the Franchisee and the Franchisee's employees. We may charge a reasonable fee for additional training in person if deemed appropriate (distinct from continuing education as described below) but not to exceed the additional training fee. Any and all traveling, living and other expenses incurred by the Franchisee or Franchisee's representatives or employees attending our training shall be paid by Franchisee.
- ii. We may conduct an annual conference at such place as shall be designated by us for all Franchisees but initially will most likely be at our headquarters. A registration fee for each participant may be required not to exceed five hundred dollars (\$500) per person and Franchisee's expenses as Franchisee will be responsible for costs associated with attending the conference such as travel, room and board. We reserve the right to increase the fee a reasonable amount based on reasonable criteria. The registration fee for one individual not to exceed five hundred dollars (\$500) will be assessed against Franchisee regardless of whether Franchisee attends conference.
- iii. We may provide refresher or continuing education sessions ("Continuing Education") through the phone, web based (webinars), video or at locations designated by us but most likely at our headquarters. Continuing Education sessions (other than by phone, webinars or video) may have a registration charge of up to five hundred dollars (\$500) per person per day, plus any third-party charges. Franchisee is responsible for costs associated with attending the meetings such as travel, room and board or our expenses (such as travel, room

We will provide up to three (3) days of either pre-opening or grand opening supervision on-site assistance at the Franchisee's Business. Franchisee shall give us not less than thirty (30) days' notice of when Franchisee wants us to provide either pre-opening or grand opening supervision and guidance. The dates for our visit for such assistance and guidance must be mutually agreed upon by us and Franchisee. Such assistance shall be completed no earlier than two (2) weeks prior to the opening date of the Business for operation and completed no later than ~~ninety six (906) days~~ months once the Business is deemed open for operation. Any costs incurred by us in connection with the pre-opening or grand opening supervision and assistance onsite at Franchisee's Business within the timeframe as described above will be paid by us. If Franchisee does not take advantage of this onsite assistance and guidance within the timeframe described above, then we are not obligated to provide such assistance to Franchisee without charging Franchisee for the actual wages and travel expenses incurred by us. For Franchisee's second and subsequent Businesses, we will provide the same pre-opening or grand opening supervision and assistance as described above; however, Franchisee will be responsible for actual wages and travel expenses incurred by us. In such circumstances where Franchisee is responsible for actual wages and travel expenses, we will provide Franchisee with invoices for amounts owed and we may require Franchisee to pre-pay all or a portion of the actual amounts incurred by us. Additional support requested by Franchisee will be subject to the training charges as described in Section XX.A.

We will provide additional guidance in the operation of Access Garage Doors® business and provide assistance to resolve operational challenges Franchisee may encounter outside the scope of the Operations Manual. This guidance can be furnished in whatever manner we consider appropriate in its Business Judgment, including electronically via an intranet system, free of charge, to answer questions from Franchisee and its staff (during regular business hours Eastern Time Zone). Guidance may also be furnished in writing, telephonically, through training programs and/or onsite consultations, web based computer training, among other methods. Onsite consultations are subject to additional training fees as mentioned above.

We will provide guidance to Franchisee in its efforts to obtain all certifications, licenses and permits required to operate the Business. Ultimately, however it is Franchisee's responsibility and obligation to obtain and maintain all such certifications, licenses and permits and all out of pocket costs associated with obtaining and maintaining such certifications, licenses and permits as described in Section XII.C of this Agreement.

We may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials (including photographs and video presentations) for local advertising and may direct the discontinuance of such plans and materials, from time to time. All other advertising and promotional materials that Franchisee proposes to use must be reviewed and approved by us, pursuant to Section XII.L of this Agreement.

We may provide Franchisee with emails, text messages, announcements, memos, bulletins, brochures, manuals and reports, if any, as may from time to time be published by or on our behalf regarding our plans, policies, developments and activities. In addition, we will provide such communication concerning our Products, Services, programs, our online educational platform, industry developments, techniques and improvements to the management of the Business that we determine are relevant to the operation of the Business and communication with other franchisees by means of our intranet system. We may also establish a Franchisee elected peer group whose main purpose will be to mentor, support each other and regularly communicate to franchisees. We have the power to dissolve, merge, or change such peer advisory groups.

We shall provide guidance for establishing a standardized accounting, bookkeeping and cost management control systems. We will provide Franchisee with all update and upgrade requirements for

technology items and related software programs in response to changes in the Operations Manual, or changes in its policies that are communicated to Franchisee in writing. The cost for such updates and/or upgrades is Franchisee's responsibility.

We will provide dedicated phone line only for all our franchisees, free of charge, to answer any questions from Franchisee or its [General Manager or Operations Manager](#) (during regular business hours, Eastern Time Zone). Franchisee will also be able to send us questions and suggestions using Internet email or intranet system as described above. We will consult with Franchisee at no additional charge regarding policies, sales, marketing and operational issues.

All of our obligations under this Agreement shall benefit only the Franchisee, and no other Party is entitled to rely on, enforce, benefit from or obtain relief for breach of such obligations, either directly or by subrogation.

B. Website

We will provide to Franchisee an Access Garage Doors® URL or website housed within the corporate website that includes scheduling functionality and access to our intranet system that houses our educational platform and portals online for additional training for managers, advertising, operational and support materials at no additional cost. Franchisee may customize parts of the website with our approval; however, the look is to remain consistent as specified in the Operations Manual. Franchisee agrees and acknowledges that maintenance and any changes, edits or updates to the website and/or any Website promotions over the Internet must be performed by us, our affiliates and/or approved vendors. We will provide you with one hour of website editing monthly at no additional charge. Our standard hourly fee will apply to all time expended by us, our affiliates and/or approved vendors to provide this website assistance. Upon approval of Franchisee's request, which must be submitted in writing, Franchisee is responsible for the cost of such changes. Franchisee may neither establish nor use any Website without our prior written approval and if such approval is granted Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information on a Website, regarding the Business as described in [Section VI](#) of this Agreement. Such approval may be revoked at any time by us in our sole and absolute discretion. We shall own all copyright and other intellectual property rights to the website, as well as the contents of the corporate website or any other Website upon expiration or termination of this Agreement as described in [Section XXIV.E](#). This shall include ownership rights in all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including interactive rights and rights to derivate works.

C. Premises Selection

Franchisee has the responsibility for selecting the Premises for the Business. Whether Franchisee chooses to operate out of its home or out of a location (such as a small industrial or retail space as described in [Section XII.S](#)) we must review and approve the lease prior to the lease being signed. If the Franchisee is purchasing property, we must review and approve the purchase contract prior to it being signed. We will review and approve or disapprove the location of the Business and will not unreasonably withhold our approval. We shall have the right, but not the obligation, to inspect the Premises prior to opening. The Franchisee is responsible for all lease negotiations.

We do not represent that we have any special expertise in selecting sites and/or negotiating leases. Our approval of a site or location is not a representation or warranty that Access Garage Doors® business will be profitable or that Franchisee's sales will attain any predetermined levels. Approval is intended only to indicate that the proposed site or location for the Business meets our minimum criteria for identifying locations. Franchisee agrees that our approval or disapproval of a proposed site or location

Operations Manual. Franchisee understands that such recommendations and suggestions will be updated and may change periodically at our discretion. Franchisee can negotiate any rate for its Employees and independent contractors. Franchisee may be provided with a recommended rate or wage schedule and may elect to use, subject to applicable laws, these rates or wages as a guide when hiring Employees and independent contractors. Franchisee acknowledges that we have made no guarantee or warranty that using such recommended or suggested rates or wages will enhance Franchisee's sales or profits. Rate or wage negotiations with Employees and independent contractors are the sole responsibility of the Franchisee. Franchisee acknowledges that it is fully in charge of hiring of all its Employees and independent contractors (if Franchisee chooses to hire independent contractors) and for managing such individuals on an on-going basis. Our input as to hiring and management of Employees and bringing on independent contractors are suggestions and guidelines which we believe are important, and except for specific requirement set forth in this Agreement or the Manual, Franchisee is responsible for making all employee related decisions.

Failure of Franchisee to adhere to our guidelines and standards when hiring Employees, which may include the requirement of criminal background checks for all prospective Employees and independent contractors that go to job sites (if Franchisee chooses to hire independent contractors) may be considered a breach of this Agreement, and we may terminate, in our sole discretion the Agreement, except where the Franchisee has reasonable cause to deviate from our standards as described in Section XXIII.C of this Agreement.

F. No Warranties Other than in Writing

With respect to any equipment, products, supplies and/or services (as defined in Section XII.I) provided by us or our affiliates and/or any person/company referred/approved by us or our affiliates, other than specific written warranties expressly provided in connection with such items, such items are provided without any warranties, express or implied, the warranties of merchantability and suitability for a particular purpose being expressly disclaimed. In addition, we make no warranties regarding any open source code contained in any software that we may provide to the Franchisee. We do not warrant that any such software shall be free of bugs, viruses, worms, or Trojan horses.

We are not liable for any guarantee or warranty the Franchisee, its Owners, General Manager or Operations Manager or Employee of the Franchisee makes to a customer, account or to any third party. Franchisee will fully comply with our proprietary Service Guarantee Program and Warranty Program and any rewards or loyalty program, gift certificate, gift card or promotional programs developed and designed by us (as described in Section XII.H of this Agreement). Franchisee will not misrepresent or omit or fail to state any warranty or guarantee to its customers or third parties.

G. Operations Manual

We will revise the Operations Manual and the contents of any other manuals and materials created or approved for use in the operation of the Business, from time to time as we deem necessary to improve on the methods of operations. Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or as specified in such standard. We will lend Franchisee the confidential Operations Manual for the initial training program and if Franchisee satisfactorily completes training, for the term of this Agreement. If the copy of the Operations Manual loaned to Franchisee is lost, stolen or destroyed before Franchisee returns it to us, Franchisee must replace the Operations Manual at its own expense.

two thousand five hundred dollar (\$2,500) or ten thousand dollar (\$10,000) fee described above, plus the amount of any broker fees that we are responsible for paying to third parties (does not include our employees);

5. Transferee must pay for and successfully complete the training programs then required of new Franchisees at a cost of up to five hundred dollars (\$500) per person per day plus any third-party charges and our expenses, subject to increase from time to time;
6. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between the Franchisee and our subsidiaries or affiliates and, at the time of transfer, shall not be in default;
7. Franchisee shall have executed a general release, in a form satisfactory to us, of any and all claims against us and our officers, directors, managers, members, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;
8. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as we may request) shall enter into a written assumption agreement, in a form satisfactory to us, assuming and agreeing to discharge all of Franchisee's obligations, known by transferee after reasonable inquiry, under this Agreement;
9. The transferee must meet our subjective and objective standards, including experience, talent, skills, educational, managerial, business, and financial capacity; has the aptitude and ability to conduct an Access Garage Doors® business; and has adequate financial resources and capital to operate the Business; and the transferee's [General Manager or Operations Manager](#) must complete the training program to our satisfaction;
10. The transferee (and, if an Entity its Owners of a beneficial interest in the transferee as we may request) shall execute and agree to be bound by the then current form of this Agreement, which form may contain provisions that materially alter the rights or obligations under this Agreement. Alternatively, we may in our sole discretion require the transferee to sign the then current form of this Agreement then being used by us, but where the term will end on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement and the following requirement apply: (i), the transferee shall sign all other ancillary agreements as we may require for the Franchise Business as required under the then current form of this Agreement, which agreements shall supersede this Agreement in all respects, and (ii) additional changes to the terms of the Agreement may be made at our sole discretion, which include, without limitation, higher royalty fee payments, advertising contributions and renewal rights;
11. The transferee's royalty payments will not start over. For all transfers, royalty payments will continue at the Franchisee's current tier level based on Franchisee's Royalty Month (as defined in [Section X.A](#)) and the corresponding then current royalty structure;
12. The transferee, at its expense, shall upgrade the Business (including all Vehicles) to conform to the then-current standards and specifications of the System and shall complete the upgrading and other requirements within the time specified by us;

1. Fails to agree on a Territory (if a Territory was not agreed upon before signing this Agreement), fails to secure a lease and/or fails to open the Business within the specified time limits as provided in Sections VI and IX.B above;
2. Fails to attend and satisfactorily complete the initial training program before Franchisee anticipates opening the business but no later than sixty (60) days after Franchisee signs this Agreement;
3. Attends the initial franchise training program and we determine, in our sole discretion, that the Franchisee, its managing partners, members, shareholders or General Manager or Operations Manager has failed the initial training program and does not appoint another General Manager or Operations Manager to attend; or another General Manager or Operations Manager appointed by Franchisee fails the initial training program and/or is deemed not qualified to manage an Access Garage Doors® business (as described in Section XX.A);
4. Abandons, surrenders, or transfers control of the operation of the Business to a third party without our permission; or fails to continuously and actively operate the Business for five (5) consecutive days, unless precluded from doing so by damage to the Premises due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;
5. Fails or refuses, on more than three occasions during the term of this Agreement, to submit when due for a reasonable time thereafter any financial statement, tax return or schedule, or to pay when due Royalty Fees, or any other payments due us or our affiliate;
6. Operates the Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance (which includes failure of Franchisee to use its best efforts when hiring Employees, including taking every action required by applicable laws related to criminal background checks for all prospective Employees and independent contractors that go to job sites, if Franchisee chooses to use independent contractors);
7. Is unable to provide Products and/or perform Services associated with the System; failure of Franchisee to ensure that Franchisee, any of its Owners or Employees (including independent contractors) or anyone representing its Business who perform Services have a valid license or certification as required by Franchisee's state; failure of Franchisee to ensure that either Franchisee, an Owners, manager or Employees (at least one person in its Business) have a valid lead-based paint certification (as described in Section XII.F if required by us); or any if business license, certification or permit required by law is suspended or revoked, or otherwise not maintained continuously and actively in full force and effect, and in good standing (as described in Sections XII.C and XII.F of this Agreement);
8. Fails, for a period of fifteen (15) days after notification of non-compliance by us or any appropriate authority, to comply with any federal, state federal, state or local law, ordinance or regulation applicable to the operation of the Business;
9. Violates any environmental, health, safety or sanitation law, ordinance or regulation, or operates the Business (including operating any Vehicles) in an unsafe manner; and does not begin to cure the violation immediately and to correct the violation within

seventy-two (72) hours or a shorter period as required by applicable law once Franchisee receives notice from us or another party;

10. Has made a material misrepresentation or omission on the application for the Franchise;
11. Transfers, assigns or sub-franchises this Agreement without having the prior written consent of Franchisor, as set forth herein;
12. Discloses or divulges, to any unauthorized person, the contents of the Operations Manual, training materials or any other Confidential Information provided to Franchisee by us;
13. Fails to have a Manager and one dedicated salesperson that is either the Franchisee or one of its Owners; or fails to hire an [General Manager or](#) Operations Manager and/or a minimum of one full-time sales person within the specified time limits as provided in [Section XII.F](#) and keep such persons on staff for the entire duration of this Agreement;
14. Fails to adhere to our Vehicle appearance standards and fails to reasonably maintain the Vehicle as specified by us and [Sections XII.H](#) and [XII.U](#) of this Agreement;
15. Fails to comply with modifications to System standards as required by us within a ninety (90) day period from the time of written notice by us;
16. Makes any changes to any equipment, products or Proprietary Products or any third-party products such as changing containers, packaging, labeling, etc. (as described in [Section XII.I](#) of this Agreement);
17. Makes or allows any unauthorized use or copy of Confidential Information, Proprietary Products and/or Software or seeks to challenge our ownership rights in the System, including our Confidential Information, Proprietary Products and/or Software;
18. Engages in any activity to translate, reverse engineer, reverse compile, change or disassemble any create derivative works based on our Confidential Information, Products, Proprietary Products and/or Software;
19. Manufactures or produces any product or piece of equipment or product that is similar to, or competes with any equipment, products or Proprietary Products used, offered or sold in the Business without our advanced written consent;
20. Engages in activity to distribute, act as an exclusive distributor or secure exclusive rights to distribute any Proprietary Product or third-party product or equipment offered or sold in the Business without our written consent;
21. Engages in activity to sublicense, rent, lease, sell, distribute or otherwise transfer our Confidential Information and/or Software or any portion thereof, or any rights therein, to any person or entity;
22. Exhibits a reckless disregard for the physical or mental well-being of employees, customers, us or our representatives, or the public at large, including battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug



SCHEDULE 1
OPEN DOORS, INC.
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEPOSIT)

BY AND BETWEEN Open Doors, Inc. AND _____
("FRANCHISEE") DATED _____ 20__.

The undersigned depositor ("DEPOSITOR/FRANCHISEE") hereby authorizes Open Doors, Inc. ("FRANCHISOR") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("DEPOSITORY/BANK") to debit such account pursuant to FRANCHISOR's instructions.

_____ DEPOSITORY/ <u>BANK NAME</u>	_____ Branch
_____ Address	_____ City, State and Zip Code
_____ Bank Transit/ABA Number	_____ Account Number

This authority is to remain in full force and effect until DEPOSITORY/BANK has received joint written notification from FRANCHISOR and DEPOSITOR/FRANCHISEE of the DEPOSITOR's/FRANCHISEE's termination of such authority in such time and in such manner as to afford DEPOSITORY/BANK a reasonable opportunity on which to act. If an erroneous debit entry is initiated to DEPOSITOR's/FRANCHISEE's account, DEPOSITOR/FRANCHISEE shall have the right to have the amount of such entry credited to such account by DEPOSITORY/BANK, if (a) within 15 calendar days following the date on which DEPOSITORY/BANK sent to DEPOSITOR/FRANCHISEE a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, DEPOSITOR/FRANCHISEE shall have sent to DEPOSITORY/BANK a written notice identifying such entry, stating that such entry was in error and requesting DEPOSITORY/BANK to credit the amount thereof to such account. These rights are in addition to any rights DEPOSITOR/FRANCHISEE may have under federal and state banking laws.

DEPOSITOR/FRANCHISEE (Print Name) DEPOSITORY/BANK (**Optional**)

By Signed: _____ By Signed: _____

Title: _____ Title: _____