

FRANCHISE DISCLOSURE DOCUMENT



OWENS CORNING REMODELING SYSTEMS, LLC
A Delaware Limited Liability Company
One Owens Corning Parkway
Toledo, OH 43659
(419) 248-8000
www.basementsystem.com

The Franchised Installer Program (the “Program”) is designed for existing residential remodelers who desire to become Owens Corning® Franchised Installers (“Franchised Installers”). Franchised Installers are exclusively authorized to sell and install the Owens Corning’s proprietary Basement Finishing System™ (“Basement Finishing System™”) in accordance with the standards and specifications established by Owens Corning Remodeling Systems, LLC. The Basement Finishing System™ may be referred to in this disclosure document as the “Finishing System.”

The total investment necessary to begin operation of the Franchised Business is \$41,100 - \$166,500. This includes \$5,000 that must be paid to us or an affiliate for one territory.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Contract Specialist at Owens Corning Remodeling Systems, LLC, One Owens Corning Parkway, Toledo, OH 43659, (800) 248-8000.

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: February 20, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit E** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISED INSTALLER AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND THEN LITIGATION ONLY IN OHIO. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN OHIO THAN IN YOUR OWN STATE.
2. THE FRANCHISED INSTALLER AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR HAS MINIMUM SALES REQUIREMENTS THAT YOU MUST MAINTAIN. IN ADDITION, YOU MUST SCORE WELL IN CUSTOMER SATISFACTION SURVEYS AND MEET OTHER MINIMUM STANDARDS. IF YOU FAIL TO MEET THE MONTHLY MINIMUM SALES REQUIREMENT, IF YOU FAIL TO SCORE IN THE TOP 2/3 OF ALL FRANCHISED INSTALLERS ON CUSTOMER SATISFACTION SURVEYS, OR IF YOU DO NOT MEET CERTAIN MINIMUM STANDARDS WE ESTABLISH FOR YOUR ANNUAL REVIEW, WE MAY, AT OUR OPTION, TERMINATE YOUR TERRITORY OR TERMINATE THE FRANCHISED INSTALLER AGREEMENT. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

| State | Effective Date | State | Effective Date |
|-----------|----------------|--------------|----------------|
| Illinois | PENDING | New York | PENDING |
| Indiana | PENDING | Rhode Island | PENDING |
| Maryland | PENDING | Virginia | PENDING |
| Michigan | PENDING | Washington | PENDING |
| Minnesota | PENDING | Wisconsin | PENDING |

In the states listed below, the effective date of this disclosure document is the issuance date of February 20, 2019.

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|----------------------|---------------|----------------|
| Alabama | Kentucky | North Carolina |
| Alaska | Louisiana | Ohio |
| Arizona | Maine | Oklahoma |
| Arkansas | Massachusetts | Oregon |
| Colorado | Mississippi | Pennsylvania |
| Connecticut | Missouri | South Carolina |
| Delaware | Montana | Tennessee |
| District of Columbia | Nebraska | Texas |
| Georgia | Nevada | Vermont |
| Idaho | New Hampshire | West Virginia |
| Iowa | New Jersey | Wyoming |
| Kansas | New Mexico | |

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