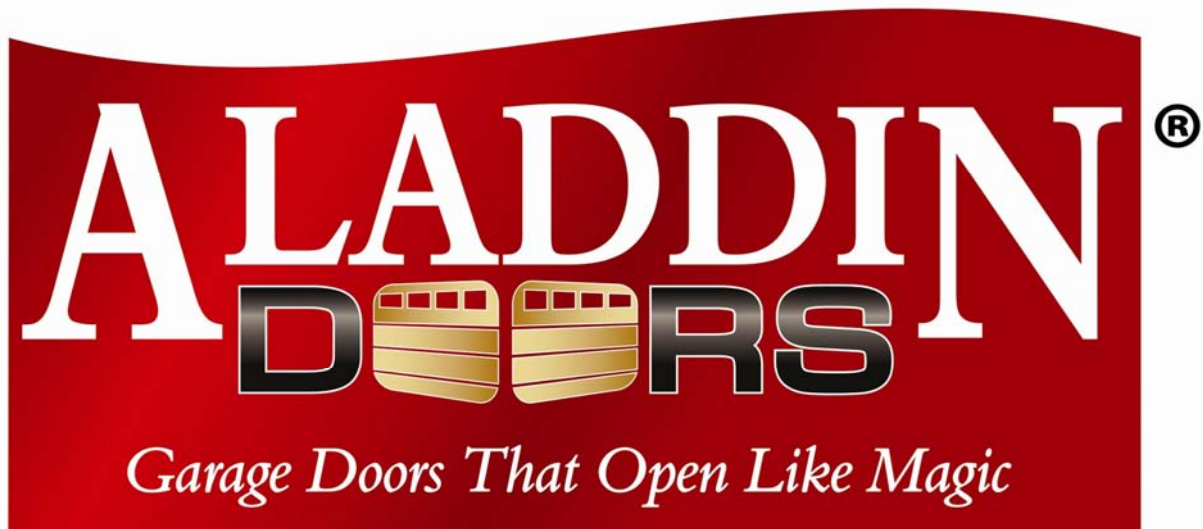


Franchise Disclosure Document



Aladdin Doors Franchising, Inc.
an Illinois Corporation
2255 Lois Drive, Unit 6
Rolling Meadows, Illinois 60008
www.aladdindoors.com
Franchise@AladdinDoors.com
Direct Line: (888) 325-2334

The Franchise offered is for the operation of a garage door installation, repair and service business under the name “Aladdin Doors®” The total investment necessary to begin operation of an Aladdin Doors franchise ranges from \$29,900 to \$99,950. This includes initial fees and payments of \$10,000 to \$35,200 that must be paid to the Franchisor or our affiliate. The total investment necessary for a conversion franchisee to begin operation of an Aladdin Doors franchise ranges from \$19,900 to \$39,400. This includes initial fees and payments of \$10,000 to \$15,200 that must be paid to the Franchisor or our affiliate.

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 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or any affiliate in connection with the proposed franchise sale. **Note; however, 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 Alaa Kireem Abdelaal, President, Aladdin Doors Franchising, Inc., 2255 Lois Drive, Unit 6, Rolling Meadows, Illinois 60008, (888)325-2334.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read your entire 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, 2013

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 I 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 FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN ILLINOIS. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN ILLINOIS THAN IN YOUR HOME STATE.
- 2) THE FRANCHISE AGREEMENT STATES THAT ILLINOIS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LAWS IN YOUR STATE. YOU MAY WANT TO COMPARE THESE LAWS.
- 3) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

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

This Franchise 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:

Illinois: _____

Indiana: November 7, 2012

Minnesota: _____

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS & AFFILIATES

The Franchisor is Aladdin Doors Franchising, Inc., an Illinois Corporation, doing business as “Aladdin Doors®. For ease of reference, Aladdin Doors Franchising, Inc. will be referred to as “we”, “us”, “our”, “ADF” or “Franchisor” in this Disclosure Document. We will refer to the person or entity who buys the Franchise as “you,” “your,” and “Franchisee,” throughout this Disclosure Document. If you are a corporation or limited liability company, partnership or other entity, certain provisions of the Franchise Agreement also apply to your shareholders, members or owners and will be noted.

We are an Illinois corporation, incorporated on March 15, 2012. We conduct business under our name Aladdin Doors Franchising, Inc. and “Aladdin Doors”. Our principal business address is 2255 Lois Drive, Unit 6, Rolling Meadows, Illinois 60008. We offer and sell franchises for the operation of a business known as “Aladdin Doors®” (the “Franchise Business”). We offer a Franchise Agreement for the development and operation of a mobile garage door installation, repair and service business, which is within a protected territory. We began offering franchises of the type described in this Disclosure Document in November 2012. We do not engage in any business activities other than offering and selling franchises and providing support to our franchisees. Our agents for service of process are disclosed in Exhibit I.

We do not have a parent company.

Our predecessor and affiliate is Action Doors, Inc., an Illinois corporation, of 2255 Lois Drive, Unit 6, Rolling Meadows, Illinois 60008. Incorporated on February 18, 2004, Action Doors, Inc. established the garage doors installation and service business on which the Aladdin Doors franchise business is patterned and began developing the system for operating an Aladdin Doors franchise business. We acquired our rights in and to the System (as described below) from Action Doors, Inc. on July 17, 2012.

Our other affiliate is Aladdin Doors, Inc., Minnesota corporation with a principal place of business at 1730 New Brighton Blvd., #104-190, Minneapolis, Minnesota 55413. Aladdin Doors, Inc. has been operating a business substantially similar to the franchise business being offered by us since March 2012. Neither of these affiliates offer franchises in any line of business or sell products or services to our franchisees.

Our Business and the Franchises Offered:

The Aladdin Doors® system of doing business has been developed to provide residential and commercial customers with an efficient and cost-effective solution to install, repair and service their garage doors. An Aladdin Doors® business performs all services onsite at the customer’s location, offers same-day and 24-hour emergency response service, charges a flat service fee for residential customers and an hourly fee for commercial customers, provides a guarantee on all services performed and a warranty on all parts and products installed resulting in a peace of mind and a hassle-free experience for customers. The services and products offered to customers include garage door installations, garage door repair, garage door opener services, ongoing maintenance programs, and the sale of approved garage doors, equipment and parts (such as garage door openers and replacement parts). An Aladdin Doors® business can also provide subcontracting services and sales to contractors and/or home repair companies. Additional related services and products may be offered in the future.

An Aladdin Doors[®] business is characterized by our unique methods and techniques for garage door installation and servicing; our proprietary warranty program for all services performed; procedures to streamline efficiencies; relationships with vendors and suppliers; vehicle outfitting and appearance standards; guidelines, specifications and procedures for operations; customer service procedures; quality control, training and ongoing operational assistance; proprietary sales and marketing programs, advertising and promotional programs; all of which may be changed, improved and further developed by us periodically (the “System”).

The System is identified by the mark “Aladdin Doors” and related logos. You will be licensed to use not only our mark, “Aladdin Doors” but also all other service marks, trademarks, slogans, and logos as we may develop and designate for use in connection with the System (the “Marks”).

The market for the Aladdin Doors services and products include both residential and commercial customers. Competition includes national and/or local garage door installation and repair companies operated by franchised companies, national chains, local chains, independent operators and to some extent handyman companies and/or maintenance service businesses offering similar services and products to those offered by an Aladdin Doors[®] business. The garage door installation and repair industry is competitive throughout the United States as the market is constantly growing, changing and evolving. Generally there is no seasonality to this business.

Laws and Regulations

To our knowledge, there are no specific statutory requirements in any state that apply to a garage door installation and repair business or otherwise regulate the operation of a garage door installation and repair business that will apply to your Aladdin Doors[®] business. In certain states, your activities as a garage door installation and repair business may require you to be in compliance with various state or local contractors’ licensing and related requirements (which may include bonding, insurance or other requirements) and could require you, and/or your personnel to obtain a general contractors and/or other licenses. State and local requirements vary significantly in this regard (and can change over time, sometimes without notice). These laws and their interpretations could materially affect your ability to conduct business in your area. You are responsible for checking the laws of the state and the local area in which you intend to conduct business to determine if any licensing, registrations or certifications are required.

Prior Business Experience

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. Our predecessor and affiliates have never offered franchises in any line of business.

We have not operated the type of business you will operate. Action Doors, Inc. has operated a business similar to the one you will operate in Illinois since February 2004. Aladdin Doors, Inc. has operated a business similar to the one you will operate in Minnesota since March 2012.

ITEM 2
BUSINESS EXPERIENCE

Director, President/CEO: Alaa (Al) Kireem Abdelaal. Mr. Abdelaal is our co-founder and has been our President/CEO since our inception in March 2012. He co-founded and has served as President of Action Doors, Inc., Rolling Meadows, Illinois since February 2004. From March 2012 to the present, he has served as President of Aladdin Doors, Inc, in Minneapolis, Minnesota.

Director, Vice President of Operations: Amr Abdelkireem. Mr. Abdelkireem is our co-founder and has been our Director and Vice President of Operation since our inception in March 2012. He co-founded and has served as Vice President of Action Doors, Inc., Rolling Meadows, Illinois since February 2004. From March 2012 to the present, he has served as Secretary of Aladdin Doors, Inc, in Minneapolis, Minnesota.

Vice President Marketing & Business Development: Nesrine Farahat. Ms. Farahat has been our Vice President of Marketing & Business Development since our inception in March 2012. From January 2006 to present she has been the Director of Marketing for our affiliate, Action Doors, Inc. in Rolling Meadows, Illinois.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The Initial Franchise Fee is paid in a lump sum when you sign the Franchise Agreement. The amount of the Initial Franchise Fee you will pay depends on the size of the territory to be granted to you:

Territory 1 Franchise:

Initial Franchise Fee of \$10,000 for 100,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 100,000

Territory 2 Franchise:

Initial Franchise Fee of \$20,000 for 200,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 200,000

Territory 3 Franchise:

Initial Franchise Fee of \$25,000 for 300,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 300,000

Territory 4 Franchise:

Initial Franchise Fee of \$30,000 for 400,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 400,000

Territory 5 Franchise:

Initial Franchise Fee of \$35,000 for 500,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 500,000 up to 600,000.

The determination of the number of non-multi-unit housing units will be made by us by independent sources or estimates that we believe to be accurate and reliable.

We currently offer a 25% reduction in the Initial Franchise Fee for (1) a honorably discharged veteran, or (2) a current employee of ours or of one of our affiliates who has been employed by us or our affiliate for at least 3 years.

Conversion Franchise

If you have an existing garage door installation and repair service business that has been in operation for at least one year and you want to converting to an Aladdin Doors franchise, you can purchase a Territory 3 Franchise for an Initial Franchise Fee of \$10,000 (plus \$.10 for each additional unit over 300,000, or a Territory 5 Franchise for an Initial Franchise Fee of \$15,000 (plus \$.10 for each additional unit over 500,000).

Refund

If we terminate you for failure to successfully complete the initial training, and if you return any and all manuals and other proprietary materials delivered to you and deliver to us a signed general release in a form approved by us, we will refund to you 100% of the initial franchise fee paid. The franchise fee is not refundable under any other circumstances.

Optional Initial Purchases

Before opening the Franchise Business, you may purchase from our affiliate an opening inventory of private label spray lubricant. The estimated cost is \$0 to \$200 and is non-refundable.

**ITEM 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalties	8% of first \$600,000 in annual Gross Revenues, 7.5% on \$600,001 - \$1,000,000, and 7% on Gross Revenues over \$1,000,000. Conversion Franchisee will pay 5% of Gross Revenues during the first year of operations. You must pay a minimum weekly royalty fee. See Note 1.	On Tuesday of each week for the previous Monday through Sunday.	Payment of minimum royalty fee begins when you open the Franchise Business. See Note 1 and 2.
Marketing Fund Fee	3% of Gross Revenues	On Tuesday of each week for the previous Monday through Sunday.	See Note 2
Local Marketing	During the 4 th through 12 th month of operation, the greater of 12% of gross revenue or \$3,000 for 1 st van plus \$2,000 for each additional van each calendar month; after the first year of operation, the greater of 10% of gross revenue or \$2,500 for the 1 st van plus \$2,000 for each additional van per calendar month.	As incurred by you.	This obligation begins in the fourth month of operation. Paid to third parties. You must submit quarterly reports to us documenting your expenditures for the previous calendar quarter.
Regional Cooperative Marketing	Determined by cooperative but not to exceed local marketing requirement. Monies spent are a credit to the local marketing requirement.	Determined by cooperative.	Payable if we establish a marketing cooperative in the region where your territory is located. Company or affiliate owned units will contribute to the cooperative and have the same voting power as other members.

Additional Territory Fee	Difference between the initial franchise fee paid by you and the initial franchise fee that would be paid by you currently for the size territory that you will have after purchasing additional territory.	Before the additional territory is granted.	Payable if you are an existing franchisee who wants to purchase additional franchise territory.
Interest and Late Charges	1.5% per month, (but not in excess of maximum rate allowed by law); plus \$50 for each late report or payment.	Upon demand	Interest begins to accrue from the due date of the payment.
Additional Training	Published fee; currently \$200 per person per day.	Before training.	The Initial Franchise Fee covers initial training for up to 3 individuals attending the same session. You must pay fee for additional people to send at a later date or if retraining is required.
Additional onsite training	Published fee; currently \$350 per day per trainer, plus travel expenses.	Before training	We provide onsite training after opening at no additional cost. This fee is payable if you request additional onsite training or we require it based on your non-compliance beyond what is typically provided.
Technology Fee	Undetermined but not to exceed \$50 per month; currently not collected.	Initial license fee and/or weekly payment	Payable to us if we develop proprietary software and license it to you and/or we make technology available to you for operating your Franchise Business.
Transfer Fee	75% of the then current initial franchise fee; 50% of the then current initial franchise fee if sale is to an existing franchise.	Upon transfer	Payable to us if you transfer your franchise, an interest in the franchise or the franchisee entity, or the assets of the Franchise Business.
Sales Commission	5% of the sale price of your transferred business	Upon transfer	Payable if we obtain the buyer for your Franchise Business.
Renewal Fee	\$2,000	Upon renewal	Payable if you renew your franchise at the end of the initial term.
Costs and Attorney's Fees	Will vary under circumstances	Upon demand	Payable if we prevail in any legal action against you.
Audit Expenses	Actual cost of audit.	Upon demand	Payable only if we conduct an audit due to your failure to report or our audit reveals that you have understated Gross Revenues by 2% or more.

Indemnification	Will vary under circumstances	On Demand	Payable if we incur costs from claims arising from your operation of the Franchise Business.
Product or Supplier Evaluation Fee	Up to \$1,000 if product or supplier is not approved	Upon submission of request for evaluation	Payable if you submit a request for our approval of a product or supplier. We will return the fee paid if we approve the product or supplier.
Conference Fee	A registration fee for conferences not to exceed \$500 per person to defray our cost.	Before conference	Payable if you attend the conference. If we require you to attend the conference, the fee is due even if you fail to attend.
Fee for supplemental training or seminars	Fees undetermined since we have not yet conducted these programs.	Before training	Payable if we conduct and you and/or your employees attend the training or seminar. We can require you to attend up to 6 days of supplemental training each year.
Call Center Fee	\$10 per call.	As scheduled by us.	Payable if we establish a call center for answering published toll free numbers and forwarding referrals to franchisees and/or if you forward your number to us for answering on an as-needed basis. We reserve the right to charge a fee that exceeds our actual costs of operating the call center.
Management Fee	Published rate; currently \$350 per day plus travel expenses	As incurred	Payable if you request us to temporarily manage your business or if it becomes necessary due to circumstances.
Insurance Reimbursement	Cost of insurance plus administrative fee of 10%	Upon demand	Payable if you fail to obtain required insurance and we obtain it for you. We have no obligation to do so.
Insufficient Funds Fee	\$100	Upon demand	If we incur fees due to your failure to have sufficient funds in your account when we initiate the electronic transfer. Having insufficient funds in account 3 times in any 12 month period is an event of default for which your franchise can be terminated.

Except as stated above, all fees are payable to us, non-refundable and paid uniformly by all franchisees.

Note 1: Gross Revenue is defined in the Franchise Agreement as the gross amount, in money or other forms of consideration, that you earn or receive from any source-related to, or in connection with, the operation of your Franchise Business or with this franchise. Gross Revenue also includes fair market value for any service or product you receive in barter or exchange for your services or products and all insurance proceeds that you receive for the loss of the business due to a casualty to or similar event relating to the Franchise Business. We exclude only sales tax receipts that you must by law collect or pay and any customer refunds of previous payments you actually make.

The royalty obligations begin immediately once your Franchise Business is open for operation then continues for the term of your franchise. The declining royalty rate is based on the Gross Revenues of the current year of operation. Each year of operations begins the first day of the calendar month you first opened your Franchise Business.

Once your Franchise Business is open and operating, you must pay us a minimum weekly royalty fee in the following amounts:

Territory	1	2	3	4	5
Year 1	\$100	\$200	\$300	\$400	\$500
Year 2	\$150	\$300	\$450	\$600	\$700
Year 3	\$200	\$400	\$600	\$800	\$900
Year 4	\$250	\$500	\$750	\$1000	\$1100
Year 5	\$275	\$550	\$825	\$1175	\$1275

Note 2: Weekly royalty fees and marketing fund fees are payable by electronic funds transfer from your business account. If you fail to provide weekly sales reports, we can withdraw 120% of the amount due based on the last weekly sales report submitted. Adjustments will be made once weekly sales reports are submitted. We may require payment of other fees by electronic funds transfer. We reserve the right to change the time and manner of payment upon written notice to you.

ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT

Estimated Initial Investment for Start-Up Franchise

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee OR Reduced Initial Franchise Fee for certain franchisees (Note 1)	\$10,000 \$7,500	\$35,000 \$26,250	Lump Sum	At signing of the Franchise Agreement.	Us
Travel, Lodging and Meals for Initial Training Program (Note 2)	\$1,200	\$9,250	As incurred	As incurred before and during training	Airlines, hotels, restaurants

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computers and Software (Note 3)	\$1,500	\$2,500	As incurred	Before opening	Suppliers; software licensor
Office Furniture, Fixtures, Equipment and Supplies (Note 4)	\$500	\$1,850	As incurred	Before opening	Suppliers
Real Estate (Note 5)	\$0	\$3,350	As arranged	Before opening	Lessor and Utility Providers
Equipment and Tools (Note 6)	\$1,000	\$3,000	As incurred	Before opening	Suppliers
Opening Inventory and Supplies (Note 7)	\$1,500	\$3,500	As incurred	Before Opening	Suppliers
Vehicle (Note 8)	\$0	\$1,500	Lump sum or monthly payments	Before opening	Vehicle Dealer
Vehicle outfitting and signage (Note 9)	\$2,000	\$4,000	As arranged	Before opening	Suppliers
Grand Opening Marketing Expense	\$5,000	\$12,000	As incurred	Within the first 3 months of operation	Suppliers
Initial Marketing Materials	\$500	\$1,500	As incurred	Before opening	Suppliers
Exterior Sign	\$0	\$500	As incurred	Before opening	Sign Vendor
Apparel	\$200	\$600	As incurred	Before opening	Suppliers
Insurance (Note 10)	\$1,500	\$2,500	As arranged	Before opening	Insurance Company
Business Licenses, Permits, Membership Dues and Professional Fees	\$1,000	\$2,000	As incurred	Before opening	Local authorities, professional advisors, industry organizations, BBB
Additional Funds – 3 months (Note 11)	\$4,000	\$16,900	As incurred	As incurred during 1 st 3 months	Third Parties
Total (assumes payment of full Initial Franchise Fee)	\$29,900	\$99,950			

Explanatory Notes:

This is our estimate of the costs you will incur to develop and open an Aladdin Doors franchised business. The factors that underlie this estimate can vary considerably depending on a number of variables, and the actual investment you may make in developing and opening your Franchise Business may be lesser or greater than the estimates given. Payments to us are non-refundable. Payments to third parties are not expected to be refundable unless you directly negotiate this with a supplier.

1. **Initial Franchise Fee.** The initial franchise fee is a range of fees based on the size of the territory granted to you and is paid to us when you sign the Franchise Agreement. The Initial Franchise Fee is non-refundable except if we terminate you during initial training. See Item 5 for the range of fees and reduced initial franchise fees for employees of ours or our affiliates and veterans.
2. **Training Expenses.** We do not charge a fee for the initial training program for up to 3 people. You are responsible for the cost of transportation, lodging and meals for you and your employees attending the initial training. The amount of these costs will vary depending upon a number of factors, including travel distances from the state of your residence and your choices for lodging and meals. This high estimate is based on 2 people attending training.
3. **Computer System.** This estimate is for the office computer system, including a software license fee. The low estimate assumes that you have existing computer hardware that you can use for the operation of your Franchise Business. See Item 11.
4. **Office Furniture, Fixtures, Equipment and Supplies.** The low estimate includes office equipment and supplies (other than the computer system), telephone systems and smart phones and assumes that you will operate the Franchise Business from a home office and that you have existing furniture for the home office. The high estimate assumes an office outside of the home and includes desks, tables, chairs, file cabinets and small kitchen items for employee break room.
5. **Real Estate.** The low estimate assumes that you will operate the Franchise Business from your home. The high estimate covers the lease and utility security deposits and rent for the initial 3 months of operation for an office in a light industrial area of approximately 800 square feet in size.
6. **Equipment and Tools.** This estimate includes power tools, hand tools and other equipment maintained at the Franchise Business and in one van used in operating the Franchise Business.
7. **Opening Inventory and Supplies.** This estimate covers the cost of purchasing an initial inventory of garage door openers, door replacement parts, and garage door accessories for providing services to customers.
8. **Vehicle.** You must purchase a white Chevy Express van (or Ford or Dodge models with our approval). The low estimate assumes that you have an existing van that meets our specifications that you can outfit and use for the operation of the Franchise Business. The

high estimate covers the financed purchase of one Chevy Express vans (the first 3 months of payments; assumed no down payment). If you pay cash in full for the van instead of financing the purchase, you will incur additional costs (estimated cost of \$27,350 per van). Prices can vary due to options and type of financing available to you if any. You may elect to purchase additional vehicles to keep up with the growth of your Franchise Business. If you are granted a Territory 4 or Territory 5 franchise, you must purchase a second van by the end of your first year of operation.

9. **Vehicle Outfitting and Signage.** Your van must be outfitted with an interior storage system and exterior graphics conforming to our specifications.
10. **Insurance.** You must purchase and maintain insurance coverage in minimum amounts we require. The required insurance is described in Item 8 of this Disclosure Document and in the Franchise Agreement. The premiums that franchisees will be charged will vary from market to market. The estimate is for an annual premium paid either in 2 installments or one lump sum.
11. **Additional Funds.** This item estimates your expenses for the first 3 months of operation. It includes utilities, inventory purchases, transportation expenses, and other operating costs, and minimum royalty fees paid to us. The high estimate include payroll costs for one part-time employee. Neither estimate includes a salary or draw for you. These figures are estimates and we cannot guarantee that you will not have additional expenses in the initial operation of your Franchise Business. Your costs will vary depending on whether you have a home office or lease office space, the number of vans you intend to initially purchase and operate and the number of employees that you intend to initially hire. Your costs will depend on factors such as how closely you follow our methods and procedures, your management skill, experience and business sense, local economic conditions, the local market for the products and services you will be offering, competition, and the sales level reached during the initial period of operations.

We relied on the experience of our affiliates who own and operate similar businesses in compiling these estimates. You should review these figures carefully with a business advisor before deciding whether to purchase the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing from independent third parties will depend on factors such as the availability of financing generally, your creditworthiness, the amount and type of collateral you may have and the lending policies of the financial institutions concerning the type of business you will operate.

Estimated Initial Investment for Conversion Franchise

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	\$10,000	\$15,000	Lump Sum	At signing of the Franchise Agreement.	Us
Travel, Lodging and Meals for Initial	\$1,000	\$4,000	As incurred	As incurred before and during	Airlines, hotels, restaurants

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Training Program (Note 2)				training	
Computers and Software (Note 3)	\$500	\$1,000	As incurred	Before opening	Suppliers; software licensor
Office Furniture, Fixtures, Equipment and Supplies (Note 4)	\$0	\$500	As incurred	Before opening	Suppliers
Real Estate (Note 5)	\$0	\$0	As incurred	Before opening	Lessor and Utility Providers
Equipment and Tools (Note 6)	\$0	\$1,200	As incurred	Before opening	Suppliers
Opening Inventory and Supplies (Note 7)	\$500	\$1,500	As incurred	Before Opening	Suppliers
Vehicle (Note 8)	\$0	\$1,500	Lump sum or monthly payments	Before opening	Vehicle Dealer
Vehicle outfitting and signage (Note 9)	\$1,000	\$3,000	As incurred	Before opening	Suppliers
Grand Opening Marketing Expense	\$3,500	\$5,000	As incurred	Within the first 3 months of operation	Suppliers
Initial Marketing Materials	\$1,000	\$1,500	As incurred	Before opening	Suppliers
Exterior Sign	\$0	\$500	As incurred	Before opening	Sign Vendor
Apparel	\$200	\$400	As incurred	Before opening	Suppliers
Insurance (Note 10)	\$0	\$0	As incurred	Before opening	Insurance Company
Business Licenses, Permits, Membership Dues and Professional Fees	\$700	\$1,300	As incurred	Before opening	Local authorities, professional advisors, industry organizations, BBB
Additional Funds – 3 months (Note 11)	\$1,500	\$3,000	As incurred	As incurred during 1 st 3 months	Third Parties
Total	\$19,900	\$39,400			

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made

Explanatory Notes:

This is our estimate of the costs you will incur to develop and open an Aladdin Doors franchised business. The factors that underlie this estimate can vary considerably depending on a number of variables, and the actual investment you may make in developing and opening your Franchise Business may be lesser or greater than the estimates given. Payments to us are non-refundable. Payments to third parties are not expected to be refundable unless you directly negotiate this with a supplier.

1. **Initial Franchise Fee.** The initial franchise fee is paid to us when you sign the Franchise Agreement and is non-refundable except if we terminate you during initial training. The amount of the fee depends on the size of the territory granted to you.
2. **Training Expenses.** We do not charge a fee for the initial training program for up to 3 people. You are responsible for the cost of transportation, lodging and meals for you and your employees attending the initial training. The amount of these costs will vary depending upon a number of factors, including travel distances from the state of your residence, your choices for lodging and meals and number of days attending training. Initial training for conversion franchisees may be shorter based on their relevant experience. This high estimate is based on 2 people attending training for approximately 8 days.
3. **Computer System.** This estimate is for a license fee for required software. This estimate assumes that you already have a computer system that you can use for the operation of your Franchise Business. See Item 11.
4. **Office Furniture, Fixtures, Equipment and Supplies.** This estimate assumes that you already have an office with the necessary office equipment and supplies. This estimate is for smart phones for you and your employees.
5. **Real Estate.** This estimate that you already have an established office location that you can use for the operation of the Franchise Business.
6. **Equipment and Tools.** This estimate assumes that you have either all or some of the power tools, hand tools and other equipment that you will need to operate the Franchise Business.
7. **Opening Inventory and Supplies.** This estimate covers the cost of purchasing an initial inventory of garage door openers, door replacement parts, and garage door accessories for providing services to customers, and assumes that you have an inventory of some products that meet our specifications.
8. **Vehicle.** This estimate assumes that you have at least one van used in the operation of your existing business that will meet our specifications and that you can use in operating the Franchise Business. The high estimate assumes that you will need to purchase an additional

van and covers the financed purchase of one Chevy Express vans (the first 3 months of payments; assumes no down payment). If you pay cash in full for the vans instead of financing the purchase, you will incur additional costs (estimated cost of \$27,350 per van). Prices can vary due to options and type of financing available to you if any. You may elect to purchase additional vehicles to keep up with the growth of your Franchise Business. If you have are granted a Territory 5 franchise, you must purchase a second van by the end of your first year of operation.

9. **Vehicle Outfitting and Signage.** Your vans must be outfitted with an interior storage system and exterior graphics conforming to our specifications. This estimate assumes that you already have some interior storage in an existing van.
10. **Insurance.** You must purchase and maintain insurance coverage in minimum amounts we require. The required insurance is described in Item 8 of this Disclosure Document and in the Franchise Agreement. The premiums that franchisees will be charged will vary from market to market. This estimate assumes that you already have insurance on your existing business that meets are specifications.
11. **Additional Funds.** This item estimates your expenses for the first 3 months of operation as an Aladdin Doors Franchise Business and assumes that you have an existing revenue stream from your existing business that covers some of the operating expenses. Operating expenses include payroll costs utilities, inventory purchases, transportation expenses, and other operating costs, and royalty fees and marketing fund fees paid to us. These figures are estimates and we cannot guarantee that you will not have additional expenses in the initial operation of your Franchise Business. Your costs will vary depending on whether you have a home office or lease office space and the number of existing employees and vans that you have. Your costs will depend on factors such as how closely you follow our methods and procedures, your management skill, experience and business sense, local economic conditions, the local market for the products and services you will be offering, competition, and the sales level reached during the initial period of operations.

We relied on the experience of our affiliates who own and operate similar businesses in compiling these estimates. You should review these figures carefully with a business advisor before deciding whether to purchase the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing from independent third parties will depend on factors such as the availability of financing generally, your creditworthiness, the amount and type of collateral you may have and the lending policies of the financial institutions concerning the type of business you will operate.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Aladdin Doors Franchise Business following our standards and specifications. These standards and specifications may regulate, among other things, brands or type of required equipment, tools, computer systems, inventory and supplies, apparel, and other materials and supplies to be used in operating an Aladdin Doors Franchise Business, required or authorized products, and designated or approved suppliers of these items (which may be limited to or include us or our affiliates).

In order to maintain the quality of the services and products sold by and the reputation of Aladdin Doors businesses, you must purchase from us, an affiliate or a third party designated supplier private label products, credit card processing services, gift cards, apparel, garage door stickers, and advertising and promotional materials. Our affiliate Action Doors, Inc. is a supplier of private label spray lubricant. We or our affiliate may develop and sell other private label products in the future. Currently, you do not have to purchase any other products from us or any affiliates.

You must purchase from approved suppliers garage doors, garage door openers, accessories and replacement parts, exterior signage for your vehicles, the storage system for the van, business management software, and webpage development services. Currently our affiliate Action Doors, Inc. is an approved supplier of garage doors, garage door openers, accessories and replacement parts in Illinois.

You must purchase or lease vehicles, computer hardware and software, signs, equipment, tools and supplies that meet our minimum specifications and standards. Our current vehicle specifications require to you to purchase a white Chevy Express van (or Ford or Dodge models with our approval).

Specifications and standards formulated by us at our sole discretion and are communicated to you in the Operations Manual and in other written or electronic communication. Similarly, we will communicate approved brands or approved and designated suppliers to you in the Operations Manual or in other written or electronic communications. We may from time to time modify the list of designated and approved suppliers and/or approved brands or types of products, and you may not, after receipt in writing of any modification, reorder any brand or type of product or reorder from any supplier which is no longer approved.

We are offering franchises for the first time under this Franchise Disclosure Document, so neither we nor our affiliate has derived any revenue from the purchase of products or services by franchisees as of the date of this Franchise Disclosure Document.

The purchases you must make in accordance with our standards and specifications or from designated or approved suppliers represent approximately 25% to 40% of your total purchases and leases of goods and services in establishing your Aladdin Doors Franchise Business and approximately 80% to 90% of your total purchases and leases of goods and services in operating your Aladdin Doors Franchise Business.

If you want to make any purchases or leases of any brand or type of product and/or from a supplier which is not then approved, you must first notify us and submit sufficient supplier information, product description and specifications, and samples as we request for our determination of whether the brand or type of product complies with our specifications and standards and/or the supplier meets our approved supplier criteria. We will charge you a fee for evaluation of any products or suppliers. If the product or supplier is approved by us, we will refund the fee that you paid. We will notify you of whether or not such proposed brand or type of product and/or supplier is approved within 90 days of our receipt of all required information. We may prescribe procedures for the submission of requests for approval of brands and/or the obligations which approved suppliers must assume (which may be incorporated in a written agreement to be executed by approved suppliers). We may impose limits on the number of suppliers and/or brands or types for any products. Approval of a supplier may be conditioned on price, product quality,

production capacity, quality assurance systems, reputation in the industry and other factors we deem appropriate. Our criteria for evaluating suppliers and/or products is confidential and will not be made available to you or to suppliers. We may revoke any product or supplier approval if our requirements do not continue to be met and you must immediately stop purchasing that product or from that supplier once we notify you.

Other than us or our affiliates, none of our officers has an ownership interest in an approved or designated supplier.

In addition to purchases or leases discussed above, you must maintain, at your expense, the insurance coverage we require from time to time and must meet the other insurance related obligations in the Franchise Agreement. All required insurance policies must be issued by one or more insurance carriers acceptable to us and must name us as an additional insured. Currently the following is required:

Coverage Types	Required Limits of Coverage
General Liability	\$2 million aggregate \$1 million per occurrence
Personal Injury	\$1 million per occurrence \$10,000 per person medical benefits
Vehicles	\$500,000 per occurrence for all vehicles used in the Franchise Business
Business Property	At replacement cost
Business Interruption	12 months
Umbrella Liability	\$1 million minimum coverage
Employee Theft	\$10,000 per occurrence while employees are working within a customer's location
Workman's Compensation	As required by state law
Other Insurances	As required by local, state or federal laws; or by the landlord

You must obtain any additional insurance and/or higher minimum limits as we may reasonably require during the franchise term.

We intend to negotiate purchase arrangements with certain suppliers for the benefit of franchisees.

We currently do not receive rebates from suppliers based upon purchases by our franchisees, but we reserve the right to do so in the future. We do not provide material benefits to you based on your use of designated or approved sources. However, you must comply with the requirements to purchase from designated or approved sources to be in compliance with your Franchise Agreement.

Currently no purchasing cooperatives have been established; however, they may be established in the future and your participation may be mandatory to benefit the entire franchise system.

All advertising and promotional materials used by you in promoting your Aladdin Doors Franchise Business must be completely factual, in good taste, and must conform to the highest standards of ethical advertising. You must submit to us samples of all advertising or promotional materials that you desire to use and that have not been prepared or previously approved by us before you use them. If you do not receive written approval from us within 14 business days, we will be deemed to have disapproved them. You may not use any marketing or promotional materials that we have disapproved.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

<u>Obligation</u>	<u>Section In Agreement</u>	<u>Disclosure Document Item</u>
(a) Site selection and acquisition/lease	Sec. 4.A., D., E.	Items 7, 11 and 12
(b) Pre-opening purchases/leases	Sec. 4.B.	Item 7 and 8
(c) Site development and other pre-opening requirements	Sec. 4.A., B., C., Conversion Addendum Par. 7 – 10	Items 6, 7, 11
(d) Initial and ongoing training	Sec. 5.A., B., C., D., Conversion Addendum Par. 4	Item 11
(e) Opening	Sec. 4.C., Conversion Addendum Par. 3	Item 11
(f) Fees	Sec. 3.C., 9., 10.D., 14.C., 18.K., Conversion Addendum Par. 5	Items 5, 6 and 7
(g) Compliance with standards and policies (Operations Manual)	Sec. 4.G., 10.	Item 8, 11 and 16
(h) Trademarks and proprietary information	Sec. 6., Conversion Addendum Par. 8	Items 13 and 14
(i) Restrictions on products/services offered	Sec. 10.A., C., D., E.	Items 8 and 16
(j) Warranty and customer service requirements	Sec. 10.E. (10).	None
(k) Territory development	Sec. 2.B.	Item 12
(l) On-going product/services purchases	Sec. 4.B., 10.C., D., E., K., and L.	Item 8
(m) Maintenance, appearance and remodeling requirements	Sec. 10.B.	Item 11
(n) Insurance	Sec. 10.J.	Items 6 and 7

(o) Advertising	Sec. 11, Conversion Addendum Par. 6	Items 6, 7, and 11
(p) Indemnification	Sec. 6.G., and 8.C.	Item 6
(q) Owner's participation/management/staffing	Sec. 4.E., 10.H., and I.	Items 11 and 15
(r) Records/reports	Sec. 12	Item 6 and 11
(s) Inspections/audits	Sec. 13	Item 6 and 11
(t) Transfer	Sec. 14	Item 6 and 17
(u) Renewal	Sec. 3	Item 6 and 17
(v) Post-termination obligations	Sec. 16	Item 17
(w) Non-competition covenants	Sec. 7.C., 17.	Item 17
(x) Dispute resolution	Sec. 18. C., D., E., F., G., H., I., and J.	Item 17
(y) Guaranty	Sec. 20	Item 15

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guaranty your note, lease or obligation.

We do not have any past or present practice or intent to sell, assign or discount to a third party, in whole or in part, any note, contract or other instrument signed by you.

We do not receive any payments, directly or indirectly, from any person for the placement of financing.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS & TRAINING

Except as listed below, we need not provide any assistance to you under the Franchise Agreement.

Before you open your Franchise Business:

(1) Even though the Aladdin Doors® Franchise Business is a mobile business intended to be operated out your home, you could choose to have an office for your Franchise Business. If you choose to establish an office outside your home, you are responsible for selecting the site and negotiating the lease. Your site must be located within your Territory and must be approved by us (even if you are operating from a home office). Our approval of a site does not ensure that your Franchise Business will be profitable at the approved location. The factors that we may consider in acceptance of the site include location within your Territory, freeway access,

physical characteristics of the premises and surrounding area, proximity to gas stations and ability to receive deliveries by semi-trailer trucks. (Franchise Agreement, Section 4.A.).

(2) We will provide you with specifications for the van(s) to be used in operating the Franchise Business. We will also provide you with appearance standards and guidelines for your vehicle graphics and specifications for purchase and installation of interior storage systems (Franchise Agreement, Section 4.B.).

(3) We will provide you with a list of our approved vendors and suppliers and specifications for all equipment, computer systems, products, inventory, supplies, advertising and marketing materials, apparel and promotional items to be used in the operation of your Franchise Business (Franchise Agreement, Section 10.D.).

(4) We will provide an initial training program, as described in this Item, designed to train you (or your owners), your managers and lead technicians in the operation of your Franchise Business, at no additional charge for up to 3 people. If more than 3 people attend the initial training, or you later send people to initial training, you must pay the then current training fee for each person attending training (Franchise Agreement, Section 5.A.).

(5) We will 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 (collectively, the “Operations Manual”) for the operation of an Aladdin Doors™ Franchise Business, containing mandatory and suggested specifications, standards and operating procedures as 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, as well as changes in specifications, standards and operating procedures of an Aladdin Doors® Franchise Business. You must keep the Operations Manual confidential and current, and may not copy or disclose any part of the Operations Manual. The current table of contents of the Operations Manual is included with this Disclosure Document as Exhibit E (Franchise Agreement, Section 5.G.). The Operations Manual currently has a total of 233 pages plus appendices. We reserve the right to provide the Operations Manual to you electronically or via access on an intranet.

(6) We will determine when you have met the requirements to open the Franchise Business (Franchise Agreement, Section 4.C.).

During your operation of the Franchise Business:

(1) We will provide up to 3 days of on-site assistance and training within 60 days of the date you open your Franchise Business. Such assistance will be provided to you as part of our initial franchise training program and at our cost (Franchise Agreement, Section 5.B.).

(2) We will furnish you with guidance and assistance in the operation of your Franchise Business. Operating assistance may consist of advice and guidance with respect to: purchase and sale of products to customers; specifications, standards and operating procedures; pricing; changes in approved products and services; purchasing approved fixtures, furniture, equipment, signs, inventory and supplies; advertising and promotional programs; administrative, bookkeeping, accounting, sales and general operating procedures; and employee training programs. This guidance will be furnished in the Operations Manual or other written materials,

electronic communication, consultations by phone and/or in person consultations (Franchise Agreement, Section 5.F.).

(3) Upon your request and at our sole discretion, we will send a representative to your Franchise Business to provide additional guidance and assistance for a fee. We may require this additional onsite guidance and assistance if you are not operating your Franchise Business in compliance with the Franchise Agreement (Franchise Agreement, Section 5.F.).

(4) We may provide to you and your staff supplemental training and programs at locations designated by us. We may require that you and/or your Operating Manager attend up to 6 days of supplemental training each year. We reserve the right to charge a fee for attending such training and programs (Franchise Agreement, Section 5.C.).

(5) We may conduct an annual conference at a place we designate. We may require that you and/or your Operating Manager attend the conference and may charge you a fee to attend (Franchise Agreement, Section 5.D.).

(6) We will review and approve or disapprove any product, equipment and/or vendor or supplier you wish to have approved for use in the operation of your Franchise Business. You are responsible for paying a product, vendor evaluation fee (Franchise Agreement, Section 10.D.).

(7) We will review and approve or disapprove all advertising and promotional materials in addition to any promotions, edits, changes or updates to your website page (Franchise Agreement, Section 11.C.).

(8) We will provide you with updated lists of approved suppliers and vendors, equipments and products and other purchasing specifications for your Franchise Business (Franchise Agreement, Section 10.C.).

(9) We will provide you with suggested prices for services and products. We may establish minimum and maximum prices you can charge to the extent allowed by law. We may continue to develop new services and introduce new equipment and products for the System as we deem necessary (Franchise Agreement, Section 10.E.).

(10) We will provide training to any new manager of your Franchise Business for a fee. (Franchise Agreement, Section 5.A.). You are responsible for hiring and training all managers, technicians and other staff. We may make technician training available to you for a fee (Franchise Agreement, Section 10.I.).

(11) We will maintain and administer a national marketing fund (the "Marketing Fund") for the creation and development of advertising and marketing programs as we deem necessary or appropriate to advertise or promote Aladdin Doors franchise businesses. (Franchise Agreement, Section 11) We intend to establish the Marketing Fund as soon as we sell our first franchise. You must contribute to the Marketing Fund 3% of your Gross Revenues. All franchisees will contribute at a uniform rate. Aladdin Doors businesses operated by us or by an affiliate will also contribute to the Marketing Fund at the same rate.

We will direct all advertising, marketing and promotional programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials, and endorsements used

in them, and the geographic, market, and media placement and allocation of the programs. You agree that the Marketing Fund may be used to pay the cost of preparing and producing video, audio and written advertising materials; administering national, regional or local advertising programs including, direct mail and other media advertising, and employing advertising agencies to assist in those activities; developing and maintaining the Aladdin Doors website; supporting public relations, market research and marketing activities, and employing public relations firms to assist in those activities; and providing advertising, marketing and promotional materials to Aladdin Doors franchisees.

The Marketing Fund is a separate and distinct account and will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for any reasonable salaries, travel expenses, administrative costs and overhead we may incur in activities reasonably related to the administration of the Marketing Fund and its advertising, marketing and promotional programs (including, conducting market research, preparing advertising, marketing and promotional materials and public relations campaigns, establishing and maintaining the Aladdin Doors website, and collecting and accounting for contributions to the Marketing Fund). We may spend in any fiscal year an amount greater or less than the total contribution of all franchisees to the Marketing Fund in that year. We may cause the Marketing Fund to borrow from itself or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising, marketing and promotional costs of the Marketing Fund before other assets of the Marketing Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Marketing Fund and make it available to our franchisees. There is no requirement that the Marketing Fund be audited.

You understand and acknowledge that the Marketing Fund is intended to maximize recognition of the Marks and patronage of Aladdin Doors businesses. Although we intend to use the Marketing Fund to develop advertising, marketing and promotional materials and programs in a manner that will benefit all Aladdin Doors franchise businesses, we have no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Marketing Fund by the Aladdin Doors franchisees operating in that geographic area or that any Aladdin Doors franchise business will benefit directly or in proportion to its contribution to the Marketing Fund from the development and placement of advertising, marketing and promotional materials or development and implementation of advertising, marketing and promotional programs. Contributions to the Marketing Fund will not be used principally to solicit new franchise sales. We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Marketing Fund. We have the right to discontinue or reestablish the Marketing Fund. If the Marketing Fund is discontinued, all amounts remaining in the Marketing Fund on the date of discontinuance will be distributed to franchisees in proportion to their respective contributions for the most recent 12 months.

We currently do not have an advertising council of franchisees that advises us on advertising policies, but we may establish one in the future.

We may designate a local or regional marketing cooperative consisting of franchisees in a certain area for purposes of developing cooperative local or regional advertising, marketing or promotional programs. The area covered by the cooperative will be determined by us. Once we establish a cooperative, the members of the cooperative will determine what advertising, marketing

and promotional programs it will undertake, subject to our prior approval, and you must participate and contribute your proportionate share to the marketing cooperative. Payments you make to the cooperative are credited toward your local marketing expense requirement. The members of the cooperative are responsible for the administration of the cooperative and each Aladdin Doors business (whether franchised or owned by us or an affiliate) will have one vote. We may require the cooperative to operate from written governing documents. The cooperatives must prepare periodic financial statements. We have the power to form, change, dissolve or merge cooperatives. The Aladdin Doors businesses owned and operated by us or our affiliates will be members of any cooperative covering their area and will contribute in the same manner as other members.

Before you use them, samples of all local advertising, marketing and promotional materials not prepared or previously approved by us must be submitted to us for approval. If we have not approved any submitted advertising within 14 business days of receiving it, it will be deemed disapproved. You may not use any advertising or promotional materials that we have disapproved. (Franchise Agreement, Section 10.C.).

Computer System

You must purchase and use a computer system in the operation of your Aladdin Doors Franchise Business that meets our specifications. The current computer hardware and software requirements include a Windows compatible computer system with multi-function printer and current versions of QuickBooks Pro financial software, Microsoft Office and Intuit for credit card processing. You must purchase and use the web-based Service CEO software in the operation of your business for booking appointments, routing employees, generating invoices, tracking payroll, customer data base and back office support. Currently the monthly cost for the Service CEO software is \$150 for up to 500 invoices.

The initial cost of purchasing the required computer hardware and software is estimated to range from \$1,500 to \$2,500. If you want to operate the business with an existing computer system, we must approve your system before you begin using it in the operation of your Franchise Business.

We can require you to upgrade your computer system at any time if we determine that the system is insufficient for the efficient operation and management of an Aladdin Doors Franchise Business or is incompatible with our computer system. There are no limits under the Franchise Agreement on the number of times you must upgrade or substitute software or hardware on the amount you may be required to spend on these upgrades or substitutions. We have the right to access your computer system to retrieve information regarding the operations of your Franchise Business and there are no contractual limits on this right of access. (Franchise Agreement, Section 10.L.).

We have no obligation to provide ongoing maintenance, support or upgrades to the required computer system. We estimate that the annual cost to maintain the computer system to range from \$0 to \$1,000.

If we develop proprietary software for use by the franchise system, we can require you to use the software, enter into a Software License Agreement, and to pay the then current published license fees.

You must have high-speed Internet access and an e-mail account for communication with us. We may establish an intranet, and if we do so, you must maintain access to it as directed by us.

Typical Length of Time for Opening

We estimate that the length of time between the signing of the Franchise Agreement and the opening of your Aladdin Doors Franchise Business will be 30 to 120 days, depending on the amount of time it takes to secure an approved site, to complete the initial training program, to obtain the required van, equipment, tools, inventory and supplies, and to hire employees.

You may not open your Aladdin Doors Franchise Business until you have: (1) secured an approved site for the office of your Franchise Business; (2) at least one van meeting our specifications that has been outfitted with an interior storage system and exterior graphics conforming to our specifications; (3) purchased the required initial supply of equipment, tools, inventory and supplies; (4) completed initial training to our satisfaction; and (5) furnished us with evidence of required insurance coverage. If you will be operating the Franchise Business from your home or you are a conversion franchisee with an existing office locations, you must be open for business within 60 days of signing the Franchise Agreement. If you will not be operating the Franchise Business from a home office and must secure an office location, you must be open for business within 120 days of signing the Franchise Agreement. (Franchise Agreement, Section 4.C)

Training

Before your Aladdin Doors Franchise Business opens, you (or an Owner if the franchisee is an entity) must attend and complete to our satisfaction our initial training program on the operation of an Aladdin Doors Franchise Business, which currently lasts approximately 12 days. The training program for a conversion franchisees may be shorter and will be dependent upon the previous experience of the conversion franchisee. The initial training program will be at a location determined by us, which currently is our offices in Rolling Meadows, Illinois. We currently do not have a fixed schedule of training classes but will conduct initial training classes as necessary to reasonably accommodate new franchisees. We do not charge a fee for the initial training program for up to 3 owners and employees attending the training together. Certain portions of the training will only be attended by owners or managers. You will be responsible for all compensation, travel, lodging and other living expenses incurred by you and any employees while attending the initial training program.

If, we determine that you (or an Owner if the franchisee is an entity) have not successfully completed the initial training, we can require you to attend and successfully complete additional training (for a fee) or we can terminate your franchise, effective upon delivery of written notice to you. If we determine during a training program that any proposed employee has not successfully completed the initial training, you can send the employee for additional training (for a fee), or you can terminate that person's employment and send a replacement employee in the future (for a fee).

As of the date of this Disclosure Document, we provide the following initial training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Aladdin Doors™ System, Standards, Mission and Philosophy	2 Hours		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify.
Introduction to Garage Doors and Garage Door Systems	2 Hours		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Equipment, Tools and How to Use Them	2 Hours		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Vehicle Requirements, Appearance Specifications and Setup	1 Hour		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Types of Products and Supplies	1 Hour		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify.
Inventory and Controlling Costs	1 Hour	2 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Garage Door Types, Vendors and Residential Installation	2 Hours	8 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify.
Garage Door Openers and Approved Vendors	2 Hours		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Residential Installation of Garage Door Openers	2 Hours	8 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify

Residential Garage Door Repairs	2 Hours	8 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Strategies for How to Add On Sales During Service	3 Hours	3 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Commercial Garage Door Installations and Repairs	2 Hours	10 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Troubleshooting	4 Hours	6 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify.
Performing Services, Operations and Checklists	2 Hour	2 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Customer Service and Handling Complaints	2 Hours		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Giving Presentations, Selling Points and Sales Tools	2 Hours	2 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Purchasing Products and Supplies (Owners/Managers)	1 Hour		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Marketing and Advertising Your Business (Owners/Managers)	4 Hours		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Technology, Website and Software Training* (Owners/Managers)	3 Hours		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify

Administrative and Bookkeeping Responsibilities (Owners/Managers)	2 Hours	2 Hours	Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify
Staffing, Hiring Technicians and Labor Costs (Owners/Managers)	2 Hours		Corporate headquarters in Rolling Meadows, Illinois or as we otherwise specify

The instructional materials for the initial training program include the Operations Manual and other hand-outs and supplemental instructional materials that we may prepare.

The instructors for the initial training program are as follows:

Alaa (Al) Kireem Abdelaal is our President and founder and has operated our affiliate Action Doors, Inc. since 2004. Al has been involved in the garage door industry since 2001.

Amr Abdelkireem is our Vice President and co-founder and has operated our affiliate Action Doors, Inc. since 2004. Amr has been involved in the garage door industry since 1998.

Robert Cavender is our Director of Franchise Training. He has 25 years of experience in the garage door installation and service industry and in carpentry and flooring.

Sam Hassan is our Assistant Director of Training and has been employed by our affiliate as a lead technician since December 2008.

In addition to the initial training program described above, within the first 60 days of the operation of your Franchise Business, we will send one of our representatives to your Aladdin Doors Franchise Business for up to 3 days of onsite assistance and training to assist you with marketing, sales strategies, operations and performance of services and to verify your compliance with the System. (Franchise Agreement, Section 5.B.).

If you want to have more than 3 owners, managers and/or lead technicians trained by us when you attend the initial training program or if you want to send new or additional managers to training after you attend the initial training program, we will provide this training for a fee, provided training space is available. You are responsible for all travel and living expenses and wages incurred by you, your managers or employees who attend training. (Franchise Agreement, Section 5.A.)

We may conduct supplemental training, seminars, programs, and/or regional meeting at times and places we designate. We may require you (or your approved Owner) and/or your Manager to attend up to 6 days of training, seminars, programs and/or meetings each year during the term of the franchise. We have the right to charge you a tuition fee for training, seminars, programs or meetings. You will be responsible for your and your manager's or employees' travel and living expenses and wages incurred while attending the seminars, programs or meetings. (Franchise Agreement Section 5.C.).

We may hold an Annual Conference of franchisees but do not have an obligation to do so. You (or your approved Owner) and/or your manager may be required to attend the Annual

Conference. If we designate an Annual Conference as mandatory for all franchisees, you must pay us the Annual Conference fee, even if you fail to attend. You must pay the travel and living expenses, and wages that you and any manager or employees incur in attending the Annual Conference. (Franchise Agreement, Section 5.D.).

ITEM 12 **TERRITORY**

You will be granted a protected territory (“Territory”) that will have a minimum of 100,000 non-multi-unit housing units and up to 600,000 non-multi-unit housing units, depending on whether you purchase the Territory 1, Territory 2, Territory 3, Territory 4 or Territory 5 Franchise. If you are a conversion franchisee, you will only be offered a Territory 3 Franchise or a Territory 5 Franchise, so you will have a minimum of 300,000 non-multi-unit housing units in the Territory granted to you. We will determine the number of non-multi-unit housing units in your Territory based on the most recently published data from the U.S. Census Bureau or other reliable independent source for demographic and population data as we may indicate to you. A map and/or description of your Territory will be attached at Exhibit 1 to your Franchise Agreement.

As long as you are not in default under the Franchise Agreement, we will not establish another franchised, company-owned or affiliate-owned Aladdin Doors business in your Territory. We reserve the right both within and outside the Territory to: (i) offer and sell similar products using our Marks or other marks through an alternate distribution system, including the Internet and retail store locations; (ii) establish businesses offering similar services and products using different marks; (iii) acquire or be acquired by a company establishing businesses identical or similar to Aladdin Doors Franchise Businesses; (iv) service a national account located within your Territory if you are not participating in any national account program we establish (see below); and (v) engage in any other business activities not expressly prohibited by the Franchise Agreement. We are not required to pay you if we exercise any of these rights within your Territory. We and our affiliates currently do not have any plans to operate or franchise a business under a different mark that sells services or products similar to those sold by Aladdin Doors businesses.

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to provide services and sell products to any business which owns, manages, controls or otherwise has responsibility for locations in more than one area whose presence is not confined with any one particular franchisee’s territory regardless of the contract amount of the services to be performed (a “National Account”). After we sign a contract with a National Account, we may, at our option, provide you the option to perform the services and/or provide products under the National Account contract. If you are not eligible, or if you choose not to provide services or products to the National Account, we may provide the services and products directly ourselves, or through another franchisee or third party even if the work to be performed is in your Territory without compensation to you.

The franchise is granted for one specific location within your Territory which must be approved by us. You may operate the Franchise Business from a home office if your home is located within your Territory and we approve the location. You may not relocate your Aladdin Doors Franchise Business without our prior written approval. Any new location must be in your Territory and meet our then current criteria for approving locations.

You may apply in writing to us for the right to operate satellite locations (“Satellite Location”). A Satellite Location is another business location within your Territory which provides additional space to accommodate vehicles and to store equipment and inventory. The Satellite Location is not permitted to have a separate phone number from the phone number for your Aladdin Doors Franchise Business. There is no fee for opening a Satellite Location. You must operate the Satellite Location pursuant to the Operations Manual or any other guidelines we may publish.

You cannot sell services and products to customers located outside of your Territory except in the following circumstances: (i) the customer is located in an area that is not in the territory of another Aladdin Doors franchisee or a company-owned or affiliate-owned Aladdin Doors Business and you notify us in advance; (ii) if a franchisee in whose territory the customer is located requests that you perform the services as a subcontractor; or (iii) if you are servicing a national account in the territory of another Aladdin Doors franchisee who is not then participating in our national account program.

You are prohibited from direct advertising and solicitation of customers outside of your Territory, except for advertising in a combined listing in the Yellow Pages, local telephone directory or similar directories with other franchisees within a metropolitan area. We may require you to participate and share in the cost of such a listing. Examples of direct advertising and solicitation include the mailing or delivery of any sales or promotional sales literature, engaging in sales or promotional presentations (whether in person or by telephone, as in telemarketing), distribution or posting of door leaflets, and outdoor signs or notices. However, certain types of advertising that may extend outside your Territory due to the circulation or reach of the media can be used even though it may extend beyond your Territory.

If you are asked to provide services or sell products to a customer who lives in the territory of another Aladdin Doors franchisee or company-owned or affiliate-owned business, you must adhere to our then current referral policy and immediately refer the customer to the other Aladdin Door franchisee or to us or our affiliate. We, our affiliates and other franchisees must refer customers that are located within your Territory to you.

You may not engage in wholesale sale and/or distribution of any products offered by Aladdin Doors businesses. You are not granted the right to use other channels of distribution for the sale of Aladdin Doors services and products, such as the internet. Your internet presence must be limited to a linked page from our website.

You do not receive the right to acquire additional franchises or additional territory under the franchise agreement. You must meet our then-current qualifications for opening another franchise and purchase another franchise to establish another Aladdin Doors Franchise Business with additional territory.

You are not required to meet any sales volume, market penetration or other contingency in order to maintain the exclusive rights to your Territory.

ITEM 13
TRADEMARKS

We grant to you the right to use certain trademarks, service marks, and other commercial symbols in operating your Aladdin Doors Franchise Business. The principal service mark is the name "Aladdin Doors". In addition, we own rights to two logos. Alaa (Al) Kireem Abdelaal, one of our owners, filed the following applications for service mark registration on the Principal Register with the United States Patent and Trademark Office ("PTO"). Mr. Abdelaal assigned all of his right, title and interest and the goodwill in the mark and logos and the federal registration applications to us in July 2012.

SERVICE MARK	Serial/Registration Number	Filing/Registration Date
ALADDIN DOORS® (Words only)	Registration No. 4251608	Registration date November 27, 2012
ALADDIN DOORS Garage Doors That Open Like Magic® (Logo)	Registration No. 4234159	Registration date October 30, 2012
ALADDIN DOORS Garage Doors That Open Like Magic® (Logo)	Registration No. 4282266	Registration date January 29, 2013

We will file all required affidavits necessary to maintain these registrations.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. There are no agreements currently in effect that significantly limit our right to use or license the use of the Marks in any manner material to you. We have granted a non-exclusive license to use the Marks to our affiliate Action Doors, Inc.; however, that existing agreement does not limit your right to use the Marks.

Your right to use the Marks is limited by the terms and conditions of the Franchise Agreement. You must comply with our rules when you use the Marks.

You may not make any representation that any of the Marks is invalid or infringes the rights of any person or is otherwise open to any other form of attack. You may not contest or assist any other person in contesting the validity or ownership of the Marks, or take any action adverse to our claimed rights and our affiliate's claimed rights in and to the Marks.

You must use the Marks to identify your Aladdin Doors Franchise Business, but you must also identify yourself as the independent owner of your Aladdin Doors Franchise Business. You may not use or register any Mark as part of any entity or with any prefix, suffix or other modifying words, terms, designs or symbols (except for those we license to you) or in any modified form. You may not use any Mark in connection with the sale of any unauthorized product or service or in any other manner we have not expressly authorized in writing.

You must not obtain or register any domain names incorporating the Marks. You must not use the Marks in a website or in any other manner on the Internet without our prior written consent.

You must not use any of the Marks on the Internet in any directory listing or advertising without our prior written consent. You must not make any reference to or any association with the Marks on any social media site, social network, blog, or other online venue or in any other manner on the Internet without our prior written consent. If any use of the Marks on the Internet is specifically permitted in the Operations Manual, you must conform your use completely to all of the applicable standards and procedures in the Operations Manual.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar mark and you may not communicate with any person other than us or our attorneys and your attorneys regarding the infringement, challenge or claim. We have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, PTO proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding arising out of any infringement, challenge or claim to otherwise relating to any Mark. You must sign all instruments and documents, provide assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interest in any litigation, PTO proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding or to otherwise protect and maintain our interest in the Marks.

We are not required to protect your use of the Marks or to defend you against a claim against your use of the Marks, although we have the right to defend the claim if we choose to do so. We will indemnify you against, and reimburse you for all damages (except for any consequential damages, including loss of revenue and/or profits) for which you are held liable, and for all costs you reasonably incur in the defense of any claim in which you are named as a party, in any proceeding brought against you by any third party arising out of your use of any Mark, so long as your use of the Marks was in compliance with the Franchise Agreement and our rules and you have timely notified us of the claim or proceeding.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue use of any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice from us at your expense.

We do not know of any existing or possible superior prior rights or infringing uses that could materially affect your use of the Marks in your state

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Currently neither we nor our affiliate hold any patents material to the franchise. Currently neither we nor our affiliate hold any copyright registrations; however, we do claim copyrights in the Operations Manual and other written materials containing proprietary information regarding the System and may seek copyright registrations as we deem appropriate.

If you, your owners, managers or employees develop any ideas, concepts, methods, techniques or improvements relating to your Aladdin Doors Franchise Business, you agree to disclose that information to us and all of that information will become part of our confidential

information. You must also assure that all corresponding intellectual property rights are assigned to us.

You may not use our confidential information (as defined in the Franchise Agreement) in any unauthorized manner. You must take reasonable steps to prevent disclosure of our confidential information to others, including having your managers and employees sign a confidentiality and non-competition agreement.

There are currently no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements currently in effect which significantly limit our right to use or license the use of any copyrighted materials. There are no infringing uses actually known to us which could materially affect a franchisee's use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights, trade secrets or confidential information, although we intend to take whatever action, we deem necessary to protect the best interests of the System.

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

The Franchise Agreement provides that an Aladdin Doors[®] Franchise Business must be under your direct, day-to-day, full time supervision (or of your Owner if you are an entity) for the first 2 years of operation. After the first 2 years of operation, you may request us to approve your use of a non-owner Manager to manage the Franchise Business on a full-time basis. If we approve your use of a Manager, you or your Owner must remain active in overseeing the operations of your Aladdin Doors Franchise Business as supervised by the Manager.

The Manager must first successfully complete our initial training program. The Manager does not have to have any equity interest in the franchisee entity. Any replacement manager must first successfully complete our initial training program. If necessary, you must personally manage the business until a replacement manager is hired and completes training. All managers must sign a confidentiality and non-competition agreements in a form approved by us. See Exhibit D to this Franchise Disclosure Document.

You must maintain a staff of trained technicians and other employees sufficient to operate your Aladdin Doors Franchise Business in compliance with our standards and the System.

All of your managers and employees who attend our training programs, seminars or conferences and/or have access to the confidential information must maintain the confidentiality of that information and sign a confidentiality and non-competition agreement in a form approved by us (although you are responsible for ensuring its adequacy and enforceability under your state law). You must provide us with copies of the signed confidentiality and non-competition agreements before the manager or employees attends any of our training programs, seminars or conferences. See Exhibit D to this Franchise Disclosure Document.

If you are an entity, each of your owners must personally guarantee your obligations under the Franchise Agreement, and must agree to be bound by, and personally liable for the breach of, every provision in these agreements, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including

the preservation of the confidentiality of our confidential information as defined in the Franchise Agreement and compliance with the covenants not to compete described in the Franchise Agreement. The "Guaranty and Assumption of Obligations" is an exhibit to the Franchise Agreement.

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

You must offer only the garage door services and products that we authorize, including garage door installations, garage door repair, garage door opener services, ongoing maintenance programs, and the sale of garage doors, garage door openers and replacement parts, and other garage door related services and products as may be authorized by us in the Operations Manual or otherwise in writing. You must offer all services and sell all products required by us and in the manner we specify. You may not offer any services or sell products not specifically approved by us in writing.

We may change the types of services and products we authorize. There are no limits on our right to do so. The addition of new products or services may require the replacement or addition of new equipment or purchase of new inventory to accommodate the sale of new services and products.

We may establish minimum and maximum prices at which you may provide services and sell products to the extent allowed by federal and state laws.

You must participate in any gift certificate or gift card program we establish.

Your direct marketing must be restricted to your Territory. However, certain types of advertising that may extend outside your Territory due to the circulation or reach of the media can be used even though it may extend beyond your Territory.

You will sell your services and products to both residential and commercial customers. You cannot sell services and products to customers located outside of your Territory except in the following circumstances: (i) the customer is located in an area that is not in the territory of another Aladdin Doors franchisee and you notify us in advance; (ii) if a franchisee in whose territory the customer is located requests that you perform the services as a subcontractor; or (iii) if you are servicing a national account in the territory of another Aladdin Doors franchisee who is not then participating in our national account program.

ITEM 17 **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the exhibits attached to this Disclosure Document.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2.A.	Term is for 5 years from date of signing the franchise agreement.
b. Renewal or extension of the term	Section 3	If you are in compliance with the franchise agreement, you renew for 3 additional 5 year terms.
c. Requirements for franchisee to renew or extend	Section 3.B., C. and D.	Substantial compliance with Franchise Agreement during its term, give notice, sign new agreement or extension of current agreement (at our option), comply with then-current training requirements, upgrade vehicles and equipment, sign release and pay renewal fee. We may require that you obtain a business location outside of your home and build-out the location to meet our then-current requirements. The renewal agreement you must sign to renew the franchise may contain materially different terms and conditions than your original franchise agreement.
d. Termination by franchisee	Section 15.C.	You can terminate if we are in default and fail to cure within 60 days of notice from you, or fail to begin curing within 60 days if the default will take more than 60 days to cure.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Sections 15.A. and 15.B.	We can terminate only for cause.
g. "Cause" defined – curable defaults	Section 15.B.	You have 10 days to cure defaults in payment or reporting to us or in payment to suppliers, the time provided in your lease to cure lease defaults, and 30 days for all defaults not listed in Section 15.A.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
h. "Cause" defined – non-curable defaults	Section 15.A.	Failure to open business in time required, failure to satisfactorily complete initial training, abandonment, material misrepresentations, conviction of a felony, dishonest or unethical conduct, unauthorized transfers, unauthorized use or disclosure of confidential information or Operations Manual, unauthorized use of Marks, having interest in competing business, creation of a threat to public health or safety, not cured within 2 days, 3 or more defaults in reporting or payment to us or suppliers in any 12 month period, unexcused absence from required training or conference 2 or more times, filing for bankruptcy relief.
i. Your obligations on termination/ non-renewal	Section 16	Pay outstanding amounts, cease operating, cease using Marks, return items containing Marks, remove Marks from vehicles, cancel fictitious names, transfer telephone number to us, return of confidential information, assign lease at our option or de-identify the business premises (see also o. and r. below)
j. Assignment of contract by franchisor.	Section 14.A.	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	Section 14.B.	Includes transfer of any interest in Franchise Agreement, the Franchise Business or a substantial portion of its assets or ownership change in franchisee.
l. Franchisor approval of transfer by franchisee	Section 14.B., 14.C., 14.E.	Except for transfer to entity controlled by you, we have right to approve all transfers, but will not unreasonably withhold approval. Transfer to an entity is effective upon 30 days' notice to us once you sign our assignment agreement and all owners guaranty the franchise agreement obligations of the entity.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	Section 14.C.	You have complied with Franchise Agreement during the term, all amounts due us and our affiliates are paid, transferee qualifies and completes training, transferee assumes your agreement or signs new agreement for remainder of term (at our option), lessor approves assignment of lease, transfer fee and any sales commission are paid, general release signed, we approve terms of transfer and you subordinate buyer's debt to you to our interest in franchise business, and you or transferee remodel the business premises to meet current requirements. (see also r below).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.F.	We can match any offer for your business or an ownership interest in you.
o. Franchisor's option to purchase franchisee's business	Section 16.G.	We may within 30 days of termination purchase certain assets of your Franchise Business at lesser of cost or fair market value.
p. Death or disability of franchisee	Section 14.D.	Franchise or ownership interest in you must be assigned to approved buyer within 6 months.
q. Non-competition covenants during the term of the franchise	Section 7.C.	No involvement in competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.A.	No involvement in a competing business for 2 years within 20 miles of your territory or the territory of any other Aladdin Doors business (same restrictions apply after assignment).
s. Modification of the Agreement	Section 5.G. and 18.M.	Operations Manual and standards and specifications are subject to change. No modifications to the Franchise Agreement except if in writing and signed by both parties.
t. Integration/merger clause	Section 18.M.	Only terms of the Franchise Agreement (including exhibits, attachments, Operations Manual and other written materials) and representations made in this Disclosure Document are binding.
u. Dispute resolution by arbitration or mediation	Section 18.E., and G.	Disputes must be mediated before bringing suit. Claims resolved by arbitration (with a few exceptions).
v. Choice of forum	Section 18.F.	Arbitration in state of our principal place of business (currently Illinois), subject to state law.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
w. Choice of law	Section 18.F.	Law of the state of our principal place of business (currently Illinois) applies, except franchise laws only apply if you meet jurisdictional requirements; subject to 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 following statement is based on historical financial data of our affiliate, Action Doors, Inc. Action Doors, Inc. has been operating a garage door installation and repair service business since February 2004. While the services and products offered and sold by Action Doors, Inc. are substantially similar to those that will be offered and sold by Aladdin Doors franchise businesses, the company operations differ in that they have operated throughout the Chicago metropolitan area, an area much larger than any territory that will be granted to an Aladdin Doors franchisee. Action Doors, Inc. has operated in this large territory by maintaining a number of trained technicians who deliver the services to customers.

During the initial operation of the business, it is expected that the franchise owner will be acting as the technician for the Aladdin Doors business and performing all of the installation and repair services with the possibility of hiring one part-time helper during the initial period of operation.

The following statement is of the actual annual gross revenue, cost of goods sold and gross profit realized by Action Doors, Inc. as a result of the services conducted by three of its trained technicians during the calendar year 2011. The average of the figures for the 3 technicians is presented in the second table. During 2011, services to customers were performed by Action Doors, Inc. through a total of 13 technicians. The following statement is based on the services provided by a subset of 3 of the 13 technicians. These 3 technicians were the only technicians of the total of 13 who worked on a full-time basis for Action Doors, Inc. and who worked with Action Doors, Inc. for

the full period of January 1, 2011 through December 31, 2011. Technician A has been a technician of Action Doors, Inc. since April 2008, Technician B has been a technician of Action Doors, Inc. since January 2009, and Technician C has been a technician of Action Doors, Inc. since November 2007. None of the technicians had previous experience in providing garage door installation and repair services and were trained by Action Doors, Inc. These technicians did not rely solely on their own marketing and sales skills in procuring customers. The securing of customers for the worked they performed was done predominantly by Action Doors, Inc.

The figures were below were compiled internally sales receipts, supplier invoices and other internal recordkeeping of our Action Doors, Inc. The data has not been audited.

The following actual annual Gross Revenue, Cost of Goods Sold and Gross Profit reflects the experience of 3 technicians of our affiliate, and should not be considered as the actual or probable Gross Revenue or Gross Profit that will be realized by any given franchise. **A new franchisee's individual financial results may differ from the results stated in the financial performance representation.** The following data is from our affiliate which had been in business for almost 7 years as of January 1, 2011.

ACTUAL ANNUAL GROSS REVENUE, COST OF GOODS SOLD AND GROSS PROFIT OF 3 TECHNICIANS OF AFFILIATE FOR 2011

	Technician A			Technician B			Technician C		
	Repairs	Doors	Total	Repairs	Doors	Total	Repairs	Doors	Total
Gross Revenue	\$195,806	\$18,706	\$214,512	\$101,374	\$68,000	\$169,374	\$145,742	\$56,486	\$202,228
Cost of Goods Sold	\$29,927	\$8,828	\$38,755	\$16,784	\$31,960	\$48,744	\$24,924	\$28,355	\$53,279
Gross Profit	\$165,879	\$9,878	\$175,757	\$84,590	\$36,040	\$120,630	\$120,818	\$28,131	\$148,949

AVERAGE ACTUAL ANNUAL GROSS REVENUE, COST OF GOODS SOLD AND GROSS PROFIT OF 3 TECHNICIANS OF AFFILIATE FOR 2011

	Repairs	Doors	Total
Gross Revenue	\$147,641	\$47,731	\$195,372
Cost of Good Sold	\$23,878	\$23,048	\$46,926
Gross Profit	\$123,763	\$24,683	\$148,446

2 of the 3 technicians exceeded the average annual total Gross Revenue of \$195,372.
 2 of the 3 technicians exceeded the average annual Gross Profit of \$148,446.

Notes to tables:

1. Gross Revenue is the total of all money received for the services rendered to a customer, whether for installation of garage doors and openers or for providing repair services.

2. Repair Revenue includes revenue received from garage door and opener repairs and replacements of springs, cable, garage door openers, sections, rollers, hinges, drums, brackets, bottom rubber, weather stripping, gears, sprockets, capacitors, remotes, keypads, tracks and other parts related to garage doors and garage door openers.
3. Doors Revenue include the installation of a new garage doors and the installation of a new garage door opener in connection with the installation of the new doors.
4. To the extent that any installation or repair services performed for a customer were performed by more than one technician, Action Doors, Inc. internally allocated a percentage of the revenue and cost of goods to each technician involved in performing the installation or the repair services and that share is included in the revenue figures provided.
5. Cost of Goods Sold means the total amount paid to suppliers for the garage doors, openers and replacement parts used in the installation or repair service, including shipping charges and applicable sales taxes.
6. Gross Profit means Gross Revenue minus Cost of Goods Sold.

EXPLANATORY NOTES AND ASSUMPTIONS:

The following should be considered in reviewing and determining whether to rely on these figures:

Your results may vary as a start-up business. Action Doors, Inc. has been in operation for over 8 years and has developed brand awareness within the geographic area where it operates.

Your results may vary with a newly trained technician providing the installation and repair services. The technicians included in the above statement had a minimum of 2 years of experience as a technician by the beginning of the period covered by the statement.

During the initial operation of the business, it is expected that the franchise owner will be acting as the technician and performing all of the installation and repair services with the possibility of hiring one part-time helper during the initial period of operation. During the initial period, it is expected that the new franchise owner will also be responsible for marketing, advertising and promoting the business.

This actual statement of total Gross Revenues and Gross Profit does not include information concerning net profits that may be realized in the operation of an Aladdin Doors business. Net profits in the operation of an Aladdin Doors business will vary from franchisee to franchisee and from location to location and are dependent upon the total gross revenues you achieve and upon your ability to minimize expenses as well as numerous other factors beyond your control. We make no representations in this Item 19 with respect to the net profits likely to be experienced by an Aladdin Doors business.

You will incur numerous costs and expenses in connection with the operation of an Aladdin Doors business in addition to the Cost of Goods Sold, including other labor costs; occupancy costs (such as office rent and utilities); cost of equipment, materials and supplies needed to perform services; transportation expenses, including gasoline and maintenance of the van; advertising and

promotional expenses; royalties and advertising contributions paid to us; legal and accounting expenses; insurance expenses; taxes; various other general and administrative expenses and debt service. This is not an all-inclusive list of expenses.

Factors which may cause material differences in the gross revenue and gross profits of technicians for an Aladdin Doors franchise business from the gross revenue and gross profit of technicians of our affiliate include:

- * Management and business experience and the amount of time the franchise owner spends working in the business
- * Quality of customer service
- * Prices charged to customers
- * Marketing and promotional efforts and related skills of the franchise owner
- * Demographic factors, including geographic size, number of non-multi-unit housing units, income levels and economic conditions in the franchise territory
- * Local competition in the franchise territory
- * Weather and climate of the franchise territory.

The above list is not an all-inclusive list of factors. You should carefully consider these and other factors in evaluating this information and in making any decision to purchase a franchise.

The information in this statement is provided for reference only. You should make your own independent investigation on the revenues and profit potential of the franchise business. You should seek the advice of legal, business and financial advisors before making a determination concerning the revenues and profit potential of the Aladdin Doors franchise business.

Written substantiation of the data used in preparing this statement will be made available to prospective franchisees on reasonable request.

Other than the above financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Alaa Kareem Abdelaal, 2255 Lois Drive Unit 6, Rolling Meadows, Illinois 60008 (888) 325-2334, or the Federal Trade Commission, and the appropriate state regulatory agencies.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Alaa Kareem Abdelaal, 2255 Lois Drive Unit 6, Rolling Meadows, Illinois 60008 (888) 325-2334, or the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

We are offering franchises for the first time under this Franchise Disclosure Document.

Table 1
System wide Outlet Summary
For Fiscal Years 2010 thru 2012

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2010	0	0	0
	2011	0	0	0
	2012	0	0	0
Company-Owned	2010	1	1	0
	2011	1	1	0
	2012	1	2	+1
Total Outlets	2010	1	1	0
	2011	1	1	0
	2012	1	2	+1

Table 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Fiscal Years 2010 thru 2012

State	Year	Number of Transfers
Totals	2010	0
	2011	0
	2012	0

Table 3
Status of Franchise Outlets
For Fiscal Years 2010 thru 2012

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
Totals	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0

Table 4
Status of Affiliate-Owned Outlets*
For Fiscal Years 2010 thru 2012

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
IL	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
MN	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
	2012	0	1	0	0	0	1
Totals	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
	2012	1	1	0	0	0	2

Table 5
Projected New Franchised Outlets
For the 12 months beginning January 1, 2013

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Illinois	0	3	0
Indiana	0	1	0
Minnesota	0	1	0
Wisconsin	0	1	0
Totals	0	6	0

A list of our affiliate owned units as of December 31, 2012 is included at Exhibit F to this Franchise Disclosure Document. We currently do not have any franchisees. We have never had a franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or who has not communicated with us within 10 weeks of the date of this Disclosure Document.

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

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.

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

ITEM 21 **FINANCIAL STATEMENTS**

Our audited financial statements as of the fiscal year end December 31, 2012 are attached to this Disclosure Document as Exhibit H.

ITEM 22 **CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document:

Franchise Agreement (with exhibits) Exhibit A
Conversion Addendum - Exhibit B
State Addenda (if applicable) Exhibit J

Before signing the Franchise Agreement, you must complete and sign a Franchise Acknowledgement Questionnaire, a copy of which is attached to this Franchise Disclosure Document as Exhibit C. The purpose of this Questionnaire is to indicate your receipt and understanding of various documents and other information.

ITEM 23 **RECEIPTS**

The Receipts of the Disclosure Document (one copy for you and one copy for us) are found at the end of this Disclosure Document. We will need you to sign, date and return to us the last copy that is for us to acknowledge your receipt of this Franchise Disclosure Document.

Exhibit A to Franchise Disclosure Document

FRANCHISE AGREEMENT

**ALADDIN DOORS FRANCHISING, INC.
FRANCHISE AGREEMENT**

FRANCHISEE

DATE OF AGREEMENT

LOCATION OF FRANCHISE

TERRITORY _____ FRANCHISE

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- EXHIBIT 3: Conditional Assignment of Telephone Number
- EXHIBIT 4: Collateral Assignment of Lease

ALADDIN DOORS FRANCHISING, INC.
FRANCHISE AGREEMENT

THIS AGREEMENT is being entered into as of _____, 20____.
The parties to this Agreement are you, _____, as franchisee, and us, Aladdin Doors Franchising, Inc., a corporation organized under the laws of the state of Illinois with our principal place of business at 2255 Lois Drive, Unit 6, Rolling Meadows, IL 60008, and, if you are an entity, your "Owners" (defined below).

1. INTRODUCTION.

This Agreement has been written in an informal style in order to make it more easily readable and to be sure that you become thoroughly familiar with all of the important rights and obligations the Agreement covers before you sign it. In this Agreement, we refer to Aladdin Doors Franchising, Inc. as "we," "us" or the "Company." We refer to you as "you" or "Franchisee." If you are an entity, you will notice certain provisions that are applicable to your shareholders, partners, members or other owners on whose business skill, financial capability and personal character we are relying in entering into this Agreement. Those individuals will be referred to in this Agreement as "Owners."

Through the expenditure of considerable time, effort and money, we and our affiliate Action Doors, Inc. dba Aladdin Doors ("Affiliate") have developed a unique system for the establishment and operation of a business that installs, repairs and services garage doors and offers related products and services to both residential and commercial customers under the name "Aladdin Doors" which is referred to in this Agreement as the "Aladdin Doors Business" or "Aladdin Doors Franchise." The Aladdin Doors Business offers and sells garage door installation services, garage door repair services, garage door opener services, ongoing maintenance programs, and sells approved garage doors, equipment and parts, such as garage door openers and replacement parts. The Aladdin Doors Business operates under uniform formats, designs, systems, methods, formulas, specifications, standards and procedures, including certain confidential information and trade secrets (all of which we refer to in this Agreement as the "System"). We may improve, further develop or otherwise modify the System from time to time. We identify the System by the use of certain trademarks, service marks, trade dress, domain names and other commercial symbols we designate from time to time, currently including "Aladdin Doors", the Aladdin Doors logos and certain associated designs, artwork and logos (collectively, the "Marks").

We grant to persons who meet our qualifications and who are willing to undertake the investment and effort necessary to establish and develop an Aladdin Doors Business, a franchise to own and operate an Aladdin Doors Business in accordance with the System.

This Agreement is being presented to you because of the desire you have expressed to obtain the right to develop, own and be franchised to operate an Aladdin Doors Business. In signing this

Agreement, you acknowledge that you have read this Agreement and the Company's Franchise Disclosure Document, that you have had the opportunity to be advised by your counsel and financial, tax and business advisors, and that you understand the scope, cost and risk of the undertaking contemplated by this Agreement, the importance of the Company's high standards of quality and service and the necessity of operating your Aladdin Doors Business in strict conformity with the Company's standards and specifications. You also acknowledge that you have conducted an independent investigation of the business contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by an Aladdin Doors Business may evolve and change over time, that an investment in an Aladdin Doors Business involves business risks, and that the success of the venture is primarily dependent upon your business abilities and efforts. You further represent to us, as an inducement to our agreeing to enter into this Agreement, that you have made no misrepresentations in applying for or obtaining the franchise. You acknowledge that in all our dealings, all officers, directors, employees and agents act only in a representative capacity, not in an individual capacity.

We expressly do not make and have not made, and you acknowledge that you have not received or relied on, any warranty or guarantee, expressed or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied upon any representation about the franchise made by us, or by our officers, directors, employees or agents, that are contrary to the statements made in the Company's Franchise Disclosure Document or the terms contained in this Agreement.

2. GRANT OF FRANCHISE.

A. Term. Subject to the provisions of this Agreement, we grant to you a franchise to own and operate an Aladdin Doors Business in the geographic area which is described in Exhibit 1 to this Agreement (the "Territory"), and to use the System in the operation of the Aladdin Doors Franchise for a term of five (5) years beginning on the date of this Agreement, unless this Agreement terminates before the end of such term as provided in Section 15. Termination or expiration of this Agreement will constitute a termination or expiration of the Franchise. (All references to the "term" of this Agreement refer to the period from the date of this Agreement to the date on which this Agreement actually terminates or expires. All references in this Agreement to section and paragraph numbers refer to the sections and paragraphs of this Agreement unless otherwise stated.)

B. Full Term Performance. You specifically agree to, for the full term of this Agreement, operate the Aladdin Doors Franchise in the Territory identified in Exhibit 1, perform the obligations of this Agreement, and continuously exert your best efforts to promote and increase the sales and services of the Aladdin Doors Business within the Territory, and to effect the widest and best possible distribution of the sale of Aladdin Doors services and related products and to solicit potential customers and accounts for Aladdin Doors services and related products within the Territory. All of your direct marketing, advertising and promotional campaigns shall be limited to

the Territory, except for advertising media where coverage includes but goes beyond the boundaries of the Territory.

C. Territory and Franchisor's Reservation of Rights. As long as this Agreement is in force and effect and you are not in default under any of the terms of this Agreement, Company will not grant another Aladdin Doors Business franchise or operate itself or through an affiliate any other Aladdin Doors Business within the area described in Exhibit 1 ("Territory"), which Territory will include at least one hundred thousand (100,000) non-multi-unit housing units. Company has the right to, outside of the Territory, grant such other Aladdin Doors Franchises or itself establish Aladdin Doors businesses as it, in its sole and exclusive discretion, deems appropriate. Company and any affiliates reserve the right, both within and outside of the Territory to:

1. distribute products and services which comprise, may in the future comprise or which do not comprise, a part of the System through any alternative distribution channels including, but not limited to the Internet or similar electronic media, using the Marks ("Alternate Distribution Channels");

2. establish businesses which are franchised, licensed or owned by Company or any affiliate in any area as we deem appropriate or distribute services or products which are similar to the services and products offered under the System under trade names, trademarks, service marks, trade dress or other commercial symbols other than the Marks;

3. acquire or be acquired by a company establishing businesses identical or similar to the Aladdin Doors Business, even if the other business operates, franchises, and/or licenses competitive businesses anywhere;

4. service a national account located within your Territory, either ourselves or through an affiliate or another Aladdin Doors franchisee, if you are not participating in any national account program the Company establishes; and

5. engage in any other business activities not expressly prohibited by this Agreement.

D. Wholesale Sale Activities; Alternate Distribution Channels. You agree to engage only in the retail sale of the products offered under the System, and you agree not to engage in the wholesale sale and/or distribution of any product offered for sale through the Aladdin Doors Business, except if authorized in writing by us. "Wholesale sale and/or distribution" shall mean any sale and/or distribution of product by you to a third party for resale, retail sale or further distribution by such third party. The Company may grant or withhold its consent in its discretion. You shall not sell any products offered for sale under the System through any Alternative Distribution Channels.

D. Limitations on Services Outside the Territory. You are prohibited from selling

services and products outside of your Territory, except in the following circumstances: (i) if the customer is located in an area that is not in the territory granted to another Aladdin Doors franchisee or an Aladdin Doors Business operated by Company or an affiliate and you notify us in advance; (ii) if a franchisee in whose territory the customer is located requests that you perform the services as a subcontractor; or (iii) if you are servicing a national account in the territory of another Aladdin Doors franchisee who is not then participating in the Company's national account program.

3. RENEWAL OF FRANCHISE.

A. Franchisee's Right to Renew. Subject to the provisions of Paragraphs B. and C. below, and if during the entire term of this Agreement you have substantially complied with all of the provisions of this Agreement and any other agreement between us, then upon expiration of the initial term of this Agreement, you will have the right to renew the Franchise for three (3) successive additional terms of five (5) years each.

B. Notice of Renewal and Non-Renewal. You must give us written notice of your intention to renew at least nine (9) months before the end of the initial term of this Agreement. Within sixty (60) days of our receipt of your notice, we agree to give you written notice of whether you have met the conditions for renewal and any deficiencies in your operation or historical performance of your Aladdin Doors Business which could cause us not to renew the Franchise. If you have not met the conditions and deficiencies exist, our notice will state what actions, if any, you must take to correct the deficiencies in the operation of your Aladdin Doors Business and will specify the time period in which those deficiencies must be corrected. Renewal of the Franchise will be conditioned on your continued compliance with all the terms and conditions of this Agreement up to the date of expiration and timely correction of any deficiencies. If we send a notice of non-renewal it will state the reasons for our refusal to renew. If we do not give you a deficiency notice within sixty (60) days after receipt of your renewal notice, or if we do not give you notice of our decision not to renew the Franchise six (6) months before the expiration of the term of this Agreement, we may extend the term of this Agreement for any period of time necessary in order to provide you reasonable time to cure the deficiencies or to provide the six (6) month non-renewal notice required under this Agreement.

C. Renewal Agreements/Releases. To renew the Franchise, you (and your Owners) and the Company must:

(1) at our option, either execute an extension of this Agreement or execute the then current form of standard franchise agreement (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise), which agreement will replace this Agreement in all respects and which may contain different (including higher) royalty fees, advertising contributions and other fees, different territorial protections, and other provisions that differ from those contained in this Agreement, and such ancillary agreements as Company is then customarily using in the grant or renewal of franchises for the ownership and operation of an Aladdin Doors

Franchise, including guarantees from all owners of the franchisee;

(2) comply with our then-current qualification and training requirements for renewing franchises;

(3) upgrade equipment and vehicles in accordance with our then-current standards and specifications;

(4) execute a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, and our respective officers, directors, shareholders, employees and agents; and

(5) pay a renewal fee of Two Thousand Dollars (\$2,000.00) when you execute the renewal Franchise Agreement to cover our costs in connection with the renewal of this Agreement.

If either you or any of your Owners refuse to sign the required agreement(s), guarantees and/or releases within thirty (30) days after their delivery to you, you will be deemed to have elected not to renew the Franchise.

D. Requirements for Business Location. As a condition for renewal, we may require that you obtain a location for the Aladdin Doors Business outside of your home and/or may require that you make reasonable capital expenditures to remodel or upgrade the existing location of your Aladdin Doors Business to reflect the then-current image intended to be portrayed by a location for the Aladdin Doors Business, including trade dress, color schemes, lay-out, fixtures and equipment and presentation of the Marks. The build-out of a new business location outside of your home or all remodeling and upgrades of your existing Business Location that is outside of your home must be done in accordance with our then current standards and specifications and with our prior written approval.

4. BUSINESS DEVELOPMENT AND OPENING

A. Business Location and Franchisor's Approval. You are responsible for acquiring a suitable site for the operation of your Aladdin Doors Business within your Territory that is approved by us ("Business Location"), which Business Location may be a home office unless not permitted by local law. We may in our discretion provide site selection assistance to you. Prior to entering into a lease to secure the Business Location, you must submit to us a site evaluation form for the proposed site, together with a letter of intent, proposed lease or other evidence satisfactory to us which confirms your favorable prospects for obtaining the proposed site. We will provide you written notice of approval or disapproval of the proposed site within fourteen (14) business days after receiving your written proposal. While we will use our experience in providing any assistance to you regarding site selection and in granting approval of a site, nothing contained herein shall be interpreted as a guarantee of success for said location nor shall any site approval made by us be deemed a representation that any particular site is available for use as an Aladdin Doors Business.

B. Vehicle. Prior to the opening of the Aladdin Doors Business, you are required to lease or purchase at least one van for use in the operation of the Aladdin Doors Business which meets the Company's standards and specifications for vehicles. Each van used in the operation of the Aladdin Doors Business must be outfitted with our then current interior storage system and exterior graphics. Thereafter, you must purchase additional vehicles as necessary for the efficient operation of the Aladdin Doors Business and to meet customer demand; except that if you purchase a Territory 4 or Territory 5 Franchise, you must purchase a second vehicle by the end of the first twelve (12) months of operation. All such additional vehicles must meet the Company's then current standards and specifications.

C. Business Opening. You agree not to open your Aladdin Doors Business for business until: (1) your obligations under Paragraphs 4.A and 4.B. have been fulfilled; (2) you have obtained the required opening inventory and supplies for operation of the Aladdin Doors Business; (3) you (or your Owners) have completed the initial training program to our satisfaction; and (4) you have furnished us with evidence of insurance coverage required by Paragraph 10.J. You must complete the business opening requirements set forth herein and commence operation of your Aladdin Doors Business within sixty (60) days from the date of execution of this Agreement if your initial business location will be in your home and within one hundred twenty (120) days from the date of execution of this Agreement if you will lease a site outside of your home for the business location of your Aladdin Doors Business.

D. Relocation. You may operate your Aladdin Doors Business only at a site that has been approved by us and you may not relocate your Aladdin Doors Business without our prior written approval. Any new site must be located within your Territory. We will grant permission for relocation of your Aladdin Doors Business to a location approved by us if: (1) your lease for the Business Location terminates through no fault of yours, (2) the Business Location is damaged, condemned or otherwise rendered unusable, (3) in the judgment of both the Company and you, there is either a change in the character of the Business Location that is sufficiently detrimental to its business potential to warrant its relocation, or the Business Location is no longer suitable to meet the full business potential of your Aladdin Doors Business; and (4) the new location will not have an adverse impact on other franchisees in adjoining areas.

E. Satellite Location. With our prior written approval, you may establish a satellite location for the sole purpose of storing inventory and vehicles. You will not receive customers at the satellite location and the satellite location may not have a separate telephone number.

5. TRAINING AND OPERATING ASSISTANCE.

A. Initial Training. At least thirty (30) days before the opening of your Aladdin Doors Franchise, we will furnish, and you (or your Owners) must attend and complete to our satisfaction, an initial training program of approximately twelve (12) days covering the operation of an Aladdin

Doors Business. We, in our discretion, will determine when the initial training will take place, where it will take place, and how long it will last. The total days of initial training provided to you will vary dependent upon your prior experience and other factors. Up to three (3) Owners, managers and/or lead technicians may attend the initial training program at no additional fee. Beyond the first three (3) people or if you send additional people to a subsequent training program, you must pay the current tuition fee for such training and scheduling will be based on available space.

If, during the initial training program, we determine, in our sole discretion, that you (or your approved Owner) are not qualified to manage an Aladdin Doors Business, we have the right to require you (or your approved Owner) to attend and successfully complete additional training for an additional fee and/or to terminate this Agreement, effective upon delivery of written notice thereof to you. Upon such termination, if you return any and all manuals and other proprietary materials delivered to you and execute and deliver to us a general release in a form approved by us, we will refund to you all of the initial franchise fee paid.

If, during any training program, we determine, in our sole discretion, that any manager is not qualified to manage your Aladdin Doors Business or any lead technician is not qualified to perform the services, we will notify you of that determination and you must then select and enroll a substitute manager or lead technician in such training program.

You will be solely responsible for all expenses, including, without limitation, travel, room, board, transportation expenses, and wages, incurred by you (or any of your Owners) and any proposed managers or lead technicians in connection with attending any initial training program.

B. On-Site Start-Up Assistance and Training. Within sixty (60) days of the opening of your Aladdin Doors Business, one of our representatives will spend up to three (3) days at your Business Location to provide on-site assistance and training to you and your employees and to verify your compliance with the System. We, in our discretion, will determine when the on-site assistance and training will take place and how long it will last. If you request additional on-site assistance or we determine that such additional on-site assistance is necessary, we will provide a representative at your Business Location for such training for the then-current daily fee, and you will be responsible for all expenses, including, without limitation, travel, room, and board, incurred by our representative in traveling to your Business Location.

C. Supplemental Education. We may from time to time provide, and may require, that previously-trained and experienced franchisees and/or their Operating Managers attend and successfully complete supplemental training, seminars, programs, regional franchise meetings or webinars to be conducted at locations designated by us. We may charge a tuition fee for any such training, seminars, programs, meetings or webinars and you will be responsible for all expenses incurred by you and/or your Operating Manager in attending these programs. You will not be required to attend more than a total of six (6) days of supplemental education and conferences required by this Paragraph 5.C. or Paragraph 5. D. during any calendar year.

D. Annual Conference. If the Company holds an Annual Conference for franchisees, you (or your approved Owner) and any Operating Manager must attend Company's Annual Conference each time it is held during the term of this Agreement, unless we agree in writing that you will not be required to attend. We may charge you a fee to attend the conference ("Annual Conference Registration Fee") and you are responsible for all travel expenses incurred by you in attending the conference. The Annual Conference Registration Fee is due to the Company by you whether or not you attend the Annual Conference. This provision shall not obligate the Company to hold an Annual Conference of franchisees each year. If an Annual Conference is not held, you are not obligated to pay the Annual Conference Registration Fee. If you fail to attend any Annual Conference during the term of this Agreement, Company has the right to require you to attend separate training, in addition to any other rights and remedies available to Company for your breach of this provision.

E. Operating Managers. After you have operated your Aladdin Doors Business for a minimum of two (2) years, with the Company's prior written consent which may be granted or withheld in its discretion, you may designate an Operating Manager who will manage the day-to-day operations of your Aladdin Doors Business. If such consent is granted by the Company, your proposed Operating Manager must attend and complete the initial training program to our satisfaction prior to carrying out any management responsibilities at your Aladdin Doors Business. If the proposed Operating Manager does not complete the initial training program to our satisfaction, the Operating Manager must either attend additional training (for an additional fee) in order to complete the program to our satisfaction or you must propose find a replacement Operating Manager. You will be charged the then current training fee for training any Operating Manager and you will be responsible for all costs incurred by your Operating Manager in attending such training program. If any designated Operating Manager ceases to act as the manager of the Aladdin Doors Business, any replacement manager must also promptly attend and complete the initial training program. In the event that a trained Operating Manager takes over management of the day-to-day operations of your Aladdin Doors Business with our consent, you must continue to be involved in the overall management and supervision of the operation of your Aladdin Doors Business as required by Paragraph 10.H. If at any time during which the Aladdin Doors Business is being managed by an Operating Manager the Gross Revenues of the Aladdin Doors Business for any six (6) month period have declined twenty-five percent (25%) or more from the prior six (6) month period, we reserve the right, upon delivery of notice to you, to require to take over management of the day-to-day operations of the Aladdin Doors Business.

F. Operating Assistance. We will furnish you with such ongoing guidance and assistance in connection with the operation of your Aladdin Doors Business as we from time to time deem appropriate. Operating assistance may consist of advice and guidance with respect to: (1) sale of services and products authorized for sale and the specifications, standards, methods and operating procedures used by Aladdin Doors Franchises; (2) prices for the services and products offered for sale at the Aladdin Doors Business which in our judgment constitute good business practice;

however, such advice or guidance shall not be deemed or construed to impose upon you any obligation to charge any fixed, minimum or maximum prices for any service or product offered for sale by your Aladdin Doors Business except as permitted by law; (3) any changes in the services and products authorized for sale by the Aladdin Doors Business; (4) purchasing approved vehicles, equipment, signs, inventory, products, operating materials and supplies, and the selection and purchasing of product inventory; (5) developing and implementing advertising and promotional programs; (6) administrative, bookkeeping, accounting, inventory control, sales and general operating procedures for the proper operation of an Aladdin Doors Business; (7) establishing and conducting employee training programs at an Aladdin Doors Business; and (8) changes in any of the above that occur from time to time. We may advise you from time to time of operating problems of your Aladdin Doors Business disclosed by reports submitted to or inspections made by us.

This guidance will, in our sole discretion, be furnished in the form of the Company's Operations Manual or other written materials, telephone consultations, electronic communication, and/or consultations at the offices of the Company or at the Business Location of your Aladdin Doors Business

At your request, we may provide you, at our discretion, additional guidance and assistance at your Aladdin Doors Business by a representative of the Company. In the event that you are not operating your Aladdin Doors Business in compliance with the standards, specifications and operating procedures set forth in this Agreement or in the Operations Manual, we may require additional training for you (or your Owner) and/or your Operating Manager at either the Business Location of your Aladdin Doors Business or other location we designate. In either event, we will charge you the then-current per diem fees for such additional training and assistance and travel expenses for our representative who conducts such training at your Business Location.

G. Operations Manual. We will loan to you during the term of the franchise one copy of an Operations Manual, which may consist of one or more manuals for the Aladdin Doors Business, in written form or electronically (collectively referred to as the "Operations Manual"). The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures which we prescribe from time to time for the Aladdin Doors Business, as well as information relative to other obligations you have in the operation of your Aladdin Doors Business and under this Agreement. We have the right to add to, and otherwise modify, the Operations Manual from time to time to reflect changes in, additions to and deletions from authorized services and products, specifications, standards and operating procedures and other obligations in operating an Aladdin Doors Business under this Agreement. You must keep your copy of the Operations Manual current by immediately inserting all modified pages we provide to you. Revisions to the Operations Manual will be deemed effective immediately, unless we specify a later effective date for a particular revision. The master copy of the Operations Manual that we maintain at our principal office or online will be controlling, in the event a dispute develops with respect to the contents of the Operations Manual. You agree that you will not at any time copy any part of the Operations Manual, permit any part of it to be copied, disclose it to anyone other than employees having a need

to know its contents for purposes of operating your Aladdin Doors Business, or remove it from your Aladdin Doors Business without our permission.

6. MARKS.

A. Ownership and Goodwill of Marks. You acknowledge that the Company owns the Marks and that your right to use the Marks is derived solely from this Agreement and is limited to your operation of your Aladdin Doors Business pursuant to and in compliance with this Agreement, the System, and all applicable specifications, standards and operating procedures we prescribe from time to time during the term of the franchise. Any unauthorized use of the Marks by you will constitute an infringement of our rights in and to the Marks. You acknowledge and agree that all usage of the Marks by you and any goodwill established by your use of the Marks will inure to the exclusive benefit of the Company, and that this Agreement does not confer any goodwill or other interests in the Marks on you (other than the right to operate an Aladdin Doors Business in compliance with this Agreement).

You must not, at any time during the term of this Agreement or after its termination or expiration do any of the following: (1) make any oral or written representation or admission that any of the Marks is in any way invalid or infringes the rights of any person or is open to any other form of attack, (2) contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of the Marks, or (3) take any action that derogates, tarnishes or dilutes our claimed rights in and to the Marks.

All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork and logos we may authorize you to use during the term of this Agreement.

B. Limitations On Your Use of Marks. You agree to use the Marks as the sole identification of your Aladdin Doors Business, except that you must display at your Aladdin Doors Business, in a form we prescribe, notices identifying yourself as the independent owner of your Aladdin Doors Business pursuant to a Franchise Agreement with us. You may not use or register any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos and additional trademarks and service marks licensed to you under this Agreement), or in any modified form. You may not apply to register or register any Mark in any forum. You may not use any Mark in connection with the sale of any unauthorized product or service or in any other manner we have not expressly authorized in writing. You agree to display the Marks prominently and in the manner we prescribe in operating your Aladdin Doors Business, including vehicle signage, signs and forms, and in connection with advertising and promotional materials. You also agree to use only notices of trademark or service mark registrations and copyrights as we specify and to obtain any fictitious or assumed name or "doing business as" registrations that are required under applicable law.

C. Use of Marks on the Internet. The Company and its Affiliate have developed a web site (the “Aladdin Doors Website”) at www.aladdindoors.com. The Company and its Affiliate may market and sell from the Aladdin Doors Website various products and services worldwide that may compete with you and other franchisees within and outside the Territory. The Aladdin Doors Website as it may be developed and changed from time to time is the sole property of the Company or its Affiliate. Company may provide to you a page on the Aladdin Doors Website. The specifications, standards and procedures you must follow for developing and maintaining a page on the Aladdin Doors Website shall be set forth in the Operations Manual or otherwise in writing. All content on your page on the Aladdin Doors Website is subject to our prior written approval.

You shall not obtain any domain names/URL addresses for the Internet incorporating the Marks or create, develop, maintain and/or use your own web site on the Internet using any of the Marks. You shall not use any of the Marks on the Internet in any directory listing or advertising without the Company’s prior written consent. You shall not make any reference to or any association with the Marks on any social media site, social network, blog, or other on-line venue or in any other manner on the Internet without the Company’s prior written consent. If any of the foregoing uses is specifically permitted by the Company, your use must conform completely to all of the Company’s applicable standards and procedures as set forth in the Operations Manual or otherwise in writing.

D. Notification of Infringements and Claims. You agree to notify us in writing within one (1) week of any apparent or suspected unauthorized use of the Marks, any challenge to the validity of the Marks, any challenge to our ownership of, our right to use or license others to use, or your right to use, the Marks or similar trade names, domain names, trademarks, service marks or trade dress, or any claim by any person of any rights in any Mark or any similar trade name, domain name, trademark, service mark or trade dress of which you may become aware. You agree not to communicate with any person except us or our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate and the sole right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding, arising out of any infringement, challenge or claim or otherwise relating to any Mark. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. You agree to sign any and all instruments and documents, provide such assistance and take any action that our attorneys say are necessary or advisable to protect and maintain our interests in any such litigation, U.S. Patent and Trademark Office proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding related to the Marks or to otherwise protect and maintain our interests in the Marks. COMPANY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.

E. Discontinuance of Use of Marks. If it becomes advisable at any time, in our sole

discretion, for your Aladdin Doors Business to modify or discontinue use of any Mark or for your Aladdin Doors Business to use one or more additional or substitute trademarks, service marks, trade dress or domain names, you agree to comply with our directions to modify or otherwise discontinue the use of the Mark, or use one or more additional or substitute trademarks, service marks, trade dress or domain names, within a reasonable time after our notice to you at your expense. If we require you to modify or discontinue use of any Mark, we have no obligations or liability to you for your actual expenditures or other costs you incur in order to comply with this obligation.

F. Right of Inspection. In order to preserve the validity and integrity of the Marks and to ensure that you are properly employing the Marks in the operation of your Aladdin Doors Business, we or our agents shall have the right to enter and inspect your Business Location, vehicles and operating procedures at all reasonable times. We have the right to observe the manner in which you are rendering services and conducting your operations, to confer with your employees and customers, and to select equipment, inventory items, products or supplies for test of content and evaluation purposes to make certain that the equipment, inventory items, products, materials and supplies are satisfactory and meet the quality control provisions and performance standards established by us.

G. Indemnification of Franchisee. We agree to indemnify you against, and to reimburse you for, all damages (but specifically excluding any consequential damages, including, but not limited to, loss of revenue and/or profits) for which you are held liable in any proceeding brought against you by any third party arising out of your use of any Mark, so long as said use is pursuant to and in compliance with this Agreement, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim and have otherwise complied with this Agreement. The Company has the sole right to defend any such claim.

7. CONFIDENTIAL INFORMATION; NON-COMPETITION.

A. Types of Confidential Information. We possess certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, and knowledge developed by our Affiliate, us and our franchisees: (1) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of the Aladdin Doors Businesses; (2) sources of supply, ordering, inventory control and methods of providing the services and products sold by Aladdin Doors Businesses; (3) knowledge of sales and profit performance of any one or more the Aladdin Doors Businesses; (4) knowledge of test programs, concepts or results relating to new services and products; (5) advertising, marketing and promotional programs; (6) construction, lay-out, equipping and decoration of the Business Location; (7) the selection and training of the Aladdin Doors Business managers and technicians; (8) the contents of the Operations Manual or other written materials provided to you; and (9) proprietary software developed by or for us for the System. All such information will be referred to in this Agreement as "Confidential Information."

We will disclose much of the Confidential Information to you, and will do so in furnishing to you lists of approved suppliers, in the training programs, in the Operations Manual or other materials in written or electronic form and in providing guidance and assistance to you under this Agreement. In addition, in the course of the operation of the Aladdin Doors Business and for six (6) months after the termination or non-renewal of this Agreement, you or your employees may develop ideas, inventions, formulas, concepts, methods, techniques or improvements relating to the System or the Aladdin Doors Business, you agree to immediately disclose to us any such ideas, inventions, formulas, concepts, methods, techniques or improvements, which we may then authorize you and other the Aladdin Doors Franchisees to use. You will also assure that any corresponding intellectual property rights (including without limitation any rights in utility or design patents, know-how, trade secrets, trademarks, services marks and copyrights) in such ideas, inventions, formulas, concepts, methods, techniques or improvements will be our property and the title and rights to which shall be legally assigned to us immediately in writing by you, the Owners, your managers and/or employees. All of such information developed by you or your employees will be included in the term "Confidential Information," as defined above.

B. Confidentiality Agreement. You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of the Aladdin Doors Business in compliance with this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute misappropriation, an unfair method of competition, a breach of this Agreement and copyright infringement. You acknowledge and agree that the Confidential Information belongs to us, is proprietary information, that also is subject to copyright prosecution, contains trade secrets belonging to us and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you and your Owners: (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 this Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed; and (4) will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure to your employees and the use of confidentiality and non-competition agreements, trade secret disclosure forms, exit acknowledgements and other documents in a form that we prescribe with Owners, Operating Managers and employees who attend or receive our training and/or have access to the Confidential Information. Upon our request, you must provide us with copies of signed confidentiality and non-competition agreements of any Owners, Operating Managers and employees. The restrictions on your disclosure and use of the Confidential Information will not apply to the following: (a) information, processes, or techniques which are generally known and used in the public domain (as long as the availability of this information is not because of a disclosure, whether deliberate or inadvertent, by you or your Owners) and (b) disclosure of the Confidential Information in legal proceedings when you are legally required to disclose it and you have first given us the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially .

C. In-Term Non-Competition Agreement. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure, that such unauthorized disclosure would cause us irreparable harm, and we would be unable to encourage a free exchange of ideas and information among the Aladdin Doors Franchises if owners of the Aladdin Doors Franchises were permitted to hold interests in any competitive businesses, as described below. You also acknowledge that we have granted this Franchise Agreement to you in part in consideration of, and in reliance on, your and your Owners' agreement to deal exclusively with us. Therefore, during the term of this Agreement, neither you nor any Owner, nor any member of your or their immediate families, may, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with, any person or legal entity, own, maintain, operate, engage in, consult with, or have any interest (as a disclosed or beneficial owner) in any business which offers products or services which are the same as, or similar to, those offered by an Aladdin Doors Business (except another the Aladdin Doors Business operated pursuant to a franchise agreement with us), or any entity which is granting franchises or licenses or entering into joint venture relationships for any business which offers products or services which are the same as, or similar to, those offered by an Aladdin Doors Business (The ownership of 5% or less of a publicly traded company will not be deemed to be prohibited by this Paragraph). Further, during the term of this Agreement, you shall not (1) divert any customers or business from your Aladdin Doors Business to any other business, or (2) hire any employees of ours or of any other franchisee except with the written consent of the employer.

8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. Independent Contractor; No Fiduciary Relationship. It is understood and agreed by both you and the Company that this Agreement does not create a fiduciary relationship between us, that you and the Company are independent contractors and that nothing in this Agreement is intended to make either of us a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. You agree to conspicuously identify yourself at the Business Location and in all dealings with potential customers, lessors, contractors, suppliers, public officials, employees and others as the owner of an independent Aladdin Doors Business pursuant to a franchise agreement with us. You further agree to place any other notices of independent ownership on your signs, vehicles, forms, business cards, stationery, advertising and other materials that we may require from time to time.

B. No Liabilities, No Warranties. We have not authorized or empowered you to use the Marks except as provided by this Agreement. You agree not use any Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, application for any license or permit, or any other legal obligation, or in any manner that may result in liability to us for any indebtedness or obligation of yours. Except as expressly authorized by this Agreement, neither you nor the Company will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other or represent that our relationship is other than that of franchisor and franchisee.

C. Indemnification; Tax Liability. We will not be obligated by, or have any liability under, any agreements, representations or warranties you make that are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out of your construction, development and/or operation of your Aladdin Doors Business, whether or not caused by the negligent or willful action or failure to act on the part of you, the Owners, Managers, employees or agents. We will have no liability for any sales, use, excise, income, gross receipts, property or other taxes, whether levied against you, the Aladdin Doors Business or your assets, or on us, in connection with the business you conduct, or on any payments you make to us pursuant to this Agreement or any franchise agreement, including but not limited to royalty fees (except for our own income taxes). You agree to indemnify, defend and hold us, our affiliates, and our and our affiliates' shareholders, directors, officers, employees, agents and assignees, harmless against and to reimburse us for: (1) all such obligations, damages, and taxes for which we are held liable and for all costs we reasonably incur in the defense of any such claim brought against us or in any such action in which we are named as a party; (2) any liability, cost or expense we suffer, sustain or incur arising out of or relating to your development and/or operation of your Aladdin Doors Business or any of your Owners', Managers', employees', or other agents' acts or failure to act in connection therewith; and (3) all cost, expense or loss we incur in enforcing the provisions of this Agreement, in defending our actions taken relating to this Agreement, or resulting from your breach of this Agreement. This indemnification includes without limitation actual and consequential damages, reasonable arbitrators', attorneys', accountants' and expert witness fees (including those for appeal), costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. We have the right to defend any such claim against us. Your indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration or termination of this Agreement.

9. INITIAL AND CONTINUING FEES.

A. Initial Franchise Fee. You agree to pay us an initial franchise fee determined in Exhibit 1 to this Agreement. Upon the execution of this Agreement, you must pay to Company the initial franchise fee in cash in full. In recognition of the expenses we incur in furnishing assistance and services to you and of our lost opportunity to negotiate with others for this Franchise, you agree that the initial franchise fee will be fully earned by us upon execution of this Agreement and will be not be refundable, except as is specifically provided in this Agreement.

You will be entitled to a twenty-five percent (25%) reduction in the Initial Franchise Fee as determined in Exhibit 1 if one of the following applies: *[INITIAL AS APPLICABLE]*

- _____ 1. You are an honorably discharged veteran.
- _____ 2. You are a current employee of ours, or one of our affiliates, who has been so employed for at least three (3) years.

B. Additional Territory Fee. After you enter into this Agreement and establish your Aladdin Doors Business, if you request that additional contiguous geographic area be added to your Territory, and if we agree in our sole discretion, you will pay an Additional Territory Fee in the following amount:

The then current Initial Franchise Fee for a territory containing the total number of non-multi-unit housing units that will be contained within your new Territory, if we consent to grant you the additional geographic area, minus the Initial Franchise Fee that you paid under this Agreement.

The parties acknowledge and agree that if you want to purchase a Territory that is not contiguous to the existing Territory granted hereunder, the Additional Territory Fee would not apply and you would have to purchase a second Aladdin Doors Franchise and sign a second Franchise Agreement.

C. Royalty Fee.

1. In further consideration of the rights granted under this Agreement, throughout the term of this Agreement, you agree to pay Company on Tuesday of each calendar week for the preceding Monday through Sunday, the greater of the minimum weekly royalty fee payable pursuant to Section 9.C.2. below and the combined royalty fee in the dollar amount calculated as a percentage of Franchisee’s Gross Revenues as shown below (“Royalty Fee”):

Total Year-to-Date Gross Revenues (defined below) made by Franchisee during <u>current calendar year</u>	Weekly Royalty Fee payable payable (as a percentage of Gross Revenues for previous <u>Monday through Sunday</u>)
\$0 - \$600,000 ...	8% of Gross Revenues
\$600,001 - \$1,000,000	7.5% of Gross Revenues
\$1,000,001 and over	... 7% of Gross Revenues

For example purposes only and not as any indication of the level of Gross Revenues you should expect to achieve, should you generate Gross Revenues of \$750,000 during a calendar year, the weekly Royalty Fee payable by Company during that year shall equal:

- 8% of the previous week’s Gross Revenues on the first \$600,000 in Gross Revenues; and
- 7.5% of the previous week’s Gross Revenues on the next \$150,000 in Gross Revenues.

Should you cross one of the Gross Revenues thresholds defined above during any week,

the weekly Royalty Fee payable by you for that week shall equal the sum of the amount of Gross Revenues left in the first applicable threshold multiplied by the applicable percentage PLUS the amount of Gross Revenues in the next applicable threshold multiplied by the applicable percentage. In other words, you must pay the applicable Royalty Fee percentage on the full amount of each Gross Revenue threshold before you can use the reduced Royalty Fee percentage in the next applicable threshold.

2. **Minimum Weekly Royalty Fee.** Beginning on the date you begin operating the Aladdin Doors Business, and continuing for so long as this Agreement is in effect, you agree to pay to Company a minimum weekly Royalty Fee as follows:

Year of Operation	Franchise Territory				
	1	2	3	4	5
1	\$100	\$200	\$300	\$400	\$500
2	\$150	\$300	\$450	\$600	\$700
3	\$200	\$400	\$600	\$800	\$900
4	\$250	\$500	\$750	\$1,000	\$1,100
5	\$275	\$550	\$825	\$1,175	\$1,275

D. Marketing Fund Contribution. As more fully described in Paragraph 11.A, we maintain and administer an advertising, marketing and promotional fund covering our franchisees (the "Marketing Fund") for such advertising, marketing and promotions as we may deem necessary or appropriate in our sole discretion. You must contribute to the Marketing Fund three percent (3%) of Gross Revenues (as defined below) of your Aladdin Doors Business. This advertising contribution will be payable weekly along with the royalty fee as provided in Paragraph 9.G. below.

E. Technology Fee. Company may require you to pay an initial upfront fee and weekly technology fee for technology development, maintenance, and usage, which may include, but not be limited to, certain required proprietary software necessary to operate the Aladdin Doors Business and an intranet for use by the franchise system for communication and sharing of information. The weekly technology fee will not exceed Fifty Dollars (\$50.00). We will give you ninety (90) days notice before we begin charging this fee. Once implemented, the technology fee will be payable weekly along with the royalty fee as provided in Paragraph F. below.

F. Definition of "Gross Revenues". As used in this Agreement, the term "Gross Revenues" means the total receipts of all money or property of any kind, for or in connection with the services rendered by you at any location, directly or indirectly, in connection with the Aladdin Doors Business. The term shall be deemed to include checks, drafts, money orders, credit card payments, and all other instruments and forms of payment whether or not the same are postdated or

are later dishonored or rescinded or payment is stopped thereon. Gross Revenues will be deemed received for purposes of this Agreement on the date that payment in whatever form is actually collected and received by the Aladdin Doors Business. The term shall not include applicable sales, use or service taxes collected from customers and paid to the appropriate taxing authority, and authorized customer discounts and refunds.

G. Electronic Funds Transfer. You must make the weekly payments for the royalty fee, marketing fund contributions, technology fee (once implemented) and any and all other fees that may become due and payable to us hereunder by either electronic transfer or electronic debiting of your business account, or in any other manner that Company may hereinafter designate. You must execute such authorization forms as are necessary for electronic transfer or debiting as soon as you have established a bank account for your Aladdin Doors Business and shall execute any other documents as may be required from time to time by Company to permit Company to electronically transfer funds or debit your account for the purpose of making the required payments. You may not make any change in your banking relationships, including any change in the account number of your business account, or any change in banks, without our prior written approval and your execution of new authorization forms. On or before the date we specify, you must submit to us in the form and manner we specify a statement of Gross Revenues for the previous Monday through Sunday. Payments of the royalty, marketing fund contributions, and technology fees will be transferred by Noon on Tuesday of each week for the previous Monday through Sunday based on the Gross Revenues reported by you. You agree to make the funds available for withdrawal by electronic transfer or debiting before each Tuesday at Noon. If at any time a withdrawal is made and you do not have sufficient funds in the account, you must pay us an insufficient funds fee in the amount of One Hundred Dollars (\$100.00).

If you fail to submit a report of the Gross Revenues of your Aladdin Doors Business and we do not have access to this information, we may transfer or debit from your account an amount which is one hundred twenty percent (120%) of the last amount we transferred for payment of weekly royalty fees and marketing fund contributions. If the amount of the royalty fees and marketing fund advertising contributions we transferred is less than the amount that you actually owe to us (once we have determined the true and correct Gross Revenues of the Aladdin Doors Business), we will transfer from your account the balance of the royalty fee and marketing fund contribution due. If the amount transferred from your account is greater than the royalty fees and marketing fund contributions actually owed, we will credit the excess against the next transfer for royalty fees and marketing fund contributions due.

H. Service Charge on Late Payments. To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, you will pay us upon demand a late payment charge on all amounts due and owing to us not paid as of the due date equal to the greater of: (i) Fifty Dollars (\$50.00); or (ii) the highest legal rate permissible under law for open account business credit, not to exceed one and one-half percent (1-1/2%) per month. You acknowledge that the inclusion of this Paragraph in this Agreement does not mean we agree to

accept or condone late payments nor does it indicate that we have any intention to extend credit to, or otherwise finance your operation of the Aladdin Doors Business. Further, you acknowledge that notwithstanding the provisions of this Paragraph 9.G., your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 15.

I. Call Center Fees. If we establish a centralized telephone service for receiving calls from prospective customers and customers for the entire franchise system or for a certain geographical area in which your Territory is located, you agree to participate in and share the proportionate costs of such service which covers your Territory including, but not limited to, telephone charges, answering services, yellow page advertising and listings, general advertising and clerical costs associated with the collection and distribution of all telephone messages (“Call Center Fees”). Applicability, coverage and timing of the centralized telephone services will be at the sole discretion of Company. In addition, if you request and we consent to you forwarding your business telephone number to us for answering on an as-needed basis, you will pay us the applicable Call Center Fees for each answered call.

J. Application of Payments. When we receive a payment from you, we have the right in our sole discretion to apply the payment received as we deem appropriate to any past due indebtedness of yours due to us or our affiliates, whether for royalty fees, marketing fund contributions, technology fees, purchases, interest, or for any other reason, regardless of how you may designate a particular payment to be applied.

10. IMAGE AND OPERATING STANDARDS.

A. Importance of Maintaining Standards. By signing this Agreement, you indicate that you understand and acknowledge that every detail of the System is important -- not only to you, but to us and to other the Aladdin Doors Franchisees -- in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, to establish and maintain a reputation for operating high quality garage door installation and repair services, to achieve the degree of quality expected by customers of the Aladdin Doors Business, and to protect the goodwill of all the Aladdin Doors Franchises.

You also acknowledge that a fundamental requirement of the System, this Franchise Agreement, and other the Aladdin Doors Franchises is adherence by all franchisees to the Company's standards, policies, specifications and procedures as they may develop and change over time, except for certain regional or individual differences we may approve from time to time.

B. Condition and Appearance of Business Location and Vehicles. In order to achieve the standards of quality, service and appearance that are necessary in the System, you agree that:

- (1) you will maintain the condition and appearance of the vehicles, fixtures, equipment,

computer systems, signs and the Business Location in accordance with our standards and consistent with the image of an Aladdin Doors Business and its high quality services and products, and observe the highest standards of efficient and courteous service. In that connection, you will take, without limitation, the following actions during the term of this Agreement: (a) thorough cleaning, repainting and redecorating of the Business Location at reasonable intervals; (b) interior and exterior repair of the Business Location; and (c) repair or replacement of damaged, worn out or obsolete vehicles, fixtures, equipment, and signs;

(2) you will not make any material alterations to the Business Location and vehicles, as originally developed and outfitted, including any unapproved replacements of or alterations to the fixtures, equipment, or signs of your Aladdin Doors Business, without our prior written approval. If you do so, we have the right, at your expense, to rectify alterations or replacements we have not previously approved;

(3) you will replace or add new vehicles, fixtures and equipment when we reasonably specify in order to meet changing standards or accommodate new services, new products, and new methods of providing the new services and products; and

(4) you will place or display at the Business Location (interior and exterior) and on the vehicles only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve.

If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Business Location, vehicles, fixtures, equipment, or signs do not meet our standards, we may notify you, specifying the action you need to take to correct the deficiency. If you do not initiate within ten (10) days after receipt of our notice, and then continue in good faith and with due diligence a bona fide program to complete any required maintenance or replacement, we have the right, but not the obligation, to do the required maintenance and replacement on your behalf, and you agree to reimburse us on demand. The foregoing is in addition to any other remedies we may have, including, but not limited to, those regarding termination of this Agreement under Section 15.

In the event the Business Location is damaged or destroyed by fire or any other casualty, you must, within thirty (30) days after the casualty, initiate any and all repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) such repairs or reconstruction, necessary to restore the Business Location to its original condition prior to such casualty. If, in our reasonable judgment, the damage or destruction is of such a nature or to such extent that it is feasible for you to repair or reconstruct the Business Location to conform to the then-current the Aladdin Doors Business image specifications without incurring substantial additional costs, we may require you, by giving you written notice, to repair or reconstruct the Business Location to conform to the then-current the Aladdin Doors Business image specifications.

C. Products and Service Methods. The presentation of the Aladdin Doors Business image to the public is an essential element of a successful franchise system. Therefore, you agree that (1) you will offer for sale all services and products that we authorize from time to time in our sole discretion; (2) you will offer and sell approved services and products only in the manner we have prescribed; (3) you will not offer for sale or sell any services or products we have not approved unless you have obtained our prior written approval; and (4) you will not use the Business Location for any purpose other than the operation of your Aladdin Doors Business

You must at all times maintain an inventory of approved garage door openers, replacement parts and other related equipment and products sufficient in quantity and variety to fulfill all customer needs and realize the full potential of an Aladdin Doors Business

D. Approved Products, Distributors and Suppliers. The reputation and goodwill of the Aladdin Doors Business is based upon, and can be maintained only by, the sale of distinctive, high quality services and products and the delivery of those services and products in an efficient manner. We have developed standards and specifications for various services, vehicles, inventory products, fixtures, equipment, materials and supplies incorporated in or used in connection with the services and products authorized for sale at the Aladdin Doors Business. We have also developed standards and specifications for suppliers of the above products and services, including, without limitation, standards and requirements related to product quality, consistency, reliability, frequency of delivery, financial capability, labor relations and customer relations. You therefore agree that your Aladdin Doors Business will use only such vehicles, inventory products, fixtures, equipment, materials and supplies, and will offer for sale at your Aladdin Doors Business only such equipment and products that conform to our specifications and quality standards and/or are purchased from suppliers we have approved from time to time (which may include us and/or our affiliates).

You acknowledge and agree that we may approve a single distributor or supplier for any product, which distributor or supplier may include us or an affiliate, and that we may approve a distributor or supplier only as to certain products. Further, we may concentrate purchases with one or more distributors or suppliers to obtain lower prices or other benefits for the Aladdin Doors Business.

We may from time to time modify the list of approved product types, brands and/or suppliers, and you may not, after receipt in writing of any modification, reorder any product type or brand or reorder from any supplier which is no longer approved. If you propose to use any of the foregoing items of any type, brand and/or supplier which is not then approved, you must first notify us and submit sufficient information, specifications and samples concerning such product type or brand and/or supplier as we request for our determination of whether such product complies with our specifications and standards and/or such supplier meets our approved supplier criteria. We have the right to charge you a reasonable non-refundable fee of up to One Thousand Dollars (\$1,000.00) to cover our costs incurred in making such determination; however, we will refund any fees paid if we approved the supplier and/or product. We will notify you of whether or not the proposed brand

and/or supplier is approved within three (3) months of submission of all required information.

E. Specifications, Standards and Procedures. You agree to comply with all mandatory specifications, standards and operating procedures (whether contained in the Operations Manual or any other written or electronic communication to you) relating to the appearance or operation of the Aladdin Doors Business. Mandatory specifications, standards, and operating procedures we prescribe from time to time in the Operations Manual, or otherwise communicate to you in writing or electronically, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to "this Agreement" includes all such mandatory specifications, standards, and operating procedures. The mandatory specifications will include, without limitation:

(1) the manner in which the services are provided to customers, including full compliance with all safety procedures;

(2) the safety, maintenance, cleanliness, function and appearance of the Business location, and the vehicles, products, equipment, signs, materials and supplies used in providing services to customers;

(3) the types and sources of supply for products authorized for sale to customers;

(4) hours during which an Aladdin Doors Business will be open for business, including availability for emergency service;

(5) recommended pricing of products and services and maximum and minimum pricing as permitted by law;

(6) qualifications, training, dress, general appearance and demeanor of the Aladdin Doors Business employees;

(7) use of the Marks and use of products and materials imprinted with the Marks;

(8) bookkeeping, accounting, data input and collection, and other recordkeeping systems and forms;

(9) methods and materials for advertising and promotion; and

(10) customer service, required warranties, and the handling of customer complaints and warranty issues;

(11) gift card programs;

(12) memberships that must be maintained in industry and other organizations for

purposes of promoting your Aladdin Doors business; and

- (13) identification of you as the owner of your Aladdin Doors Business;

F. Compliance with Laws. You agree to secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of an Aladdin Doors Business. You agree to operate your Aladdin Doors Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to worker's compensation insurance, unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You agree that you will not take any action, or fail to take any action, that may cause any licenses or permits to be revoked, suspended or restricted, and you are solely responsible for compliance with all applicable laws, regulations, ordinances and standards pertaining thereto. You must immediately notify us of steps taken or threatened to be taken by the issuing authority to revoke, suspend or restrict any of such licenses or permits. You must notify us in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, writ, injunction, award or decree, by any court, agency or other governmental unit which may adversely affect the operation or financial condition of you or your Aladdin Doors Business, or of any notice of violation of any law, ordinance, or regulation relating to safety.

G. Good Business Practices. You must at all times give prompt, courteous and efficient service to your customers and in all dealings with us, your customers and suppliers, the general public, public officials and prospective franchisees adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct.

H. Management of the Franchise/Conflicting Interests. Your Aladdin Doors Business must at all times be under the direct, day-to-day, full-time supervision of you (or your approved Owner who must have satisfactorily completed our training program) or an Operating Manager approved by us pursuant to Paragraph 5.E. In the event an Operating Manager is supervising your Aladdin Doors Business, you (or your approved Owner) must remain active in overseeing the operations of your Aladdin Doors Business conducted under the supervision of such Operating Manager. You or the approved Owner who is responsible for the day-to-day supervision of your Aladdin Doors Business may not engage in any other business or other activity, directly or indirectly, requiring substantial management responsibility, time commitments, or which may otherwise conflict with your obligations under this Agreement.

I. Personnel. You agree to hire all employees of your Aladdin Doors Business, be exclusively responsible for the terms of their employment and compensation and implement a training program for employees of your Aladdin Doors Business that meets our requirements. You agree to require all managers and employees who will attend our training or have access to the Confidential Information to sign confidentiality and non-competition agreements in a form of agreement approved by us, and upon our request, deliver copies to us. You agree to maintain a staff

of trained managers, technicians and other employees sufficient to operate your Aladdin Doors Franchise in compliance with our standards as may be specified by us from time to time. At our option, employees shall at all times wear branded apparel meeting our specifications or approved by us.

J. Insurance. You must at all times during the term of this Agreement maintain in force, at your sole expense, comprehensive public liability insurance, product liability insurance and motor vehicle liability (including non-owned auto liability) insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Aladdin Doors Business or your conducting business pursuant to this Agreement. Such policies must be issued by an insurance carrier with a minimum rating of “A-“ by AM Best or comparable rating. Such insurance coverage must be maintained under policies of insurance containing minimum liability protection in such amounts and for such risks as we may specify from time to time in the Operations Manual or otherwise in writing. Current minimum insurance requirements are as follows:

Coverage Types	Required Limits of Coverage
General Liability	\$2 million aggregate \$1 million per occurrence
Personal Injury	\$1 million per occurrence \$10,000 per person medical benefits
Vehicles	\$500,000 per occurrence for all vehicles used in the Franchise Business
Business Property	At replacement cost
Business Interruption	12 months
Umbrella Liability	\$1 million minimum coverage
Employee Theft	\$10,000 per occurrence while employees are working within a customer’s location
Workman’s Compensation	As required by state law
Other Insurances	As required by local, state or federal laws; or by the landlord

All insurance policies must name the Company as an additional insured, and must provide that we will receive thirty (30) days prior written notice of termination, expiration or cancellation of any such policy. All insurance policies required by this section must provide cross liability coverage. You waive all rights of subrogation against Company and its affiliates for damages to the extent paid by insurance, except such rights as you may have to insurance proceeds.

We may reasonably increase the minimum liability protection requirement annually and we

have the right to require at any time on reasonable prior notice to you different or additional kinds of insurance to reflect inflation, changes in standards of liability or higher damage awards in public, product, or motor vehicle liability litigation or other relevant changes in circumstances.

You must submit to us prior to opening your Aladdin Doors Business and annually thereafter a copy of the certificate of or other evidence of such insurance policy and all renewals or extensions. If you at any time fail or refuse to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence of such coverage, we at our option and in addition to our other rights and remedies under this Agreement, may obtain such insurance coverage on your behalf, and you agree to promptly execute any applications or other forms or instruments required to obtain any such insurance, allow any inspections of the Business Location which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums incurred by us plus an administrative fee of ten percent (10%).

Your obligations to obtain and maintain the insurance described above is not limited in any way by reason of any insurance maintained by us, nor will your performance of such obligations relieve you of any obligations under Section 8 of this Agreement.

K. Proprietary Products. We may develop certain proprietary and/or branded equipment products, materials, marketing supplies, apparel, or other products branded with the Marks ("Proprietary Products") for use or sale in your Aladdin Doors Business. In the event such Proprietary Products are developed and implemented by us as part of the System, you shall carry an adequate supply and maintain a representative inventory of Proprietary Products in such amounts as we prescribe in the Operations Manual or otherwise in writing. You shall use and/or promote, offer, and sell all Proprietary Products prescribed by us as part of the System. You acknowledge that you will be required to purchase the Proprietary Products from us or a supplier we designate. You further acknowledge that failure to abide by this provision will result in diffusing the public image of the Aladdin Doors Franchises to the detriment of all franchisees using the System.

L. Computer System. You must purchase and/or lease and use in the operation of your Aladdin Doors Business, the computer system specified by us in the Operations Manual, including, but not limited to, any software system that is required for uniformity with our computer system and those of the other Aladdin Doors franchisees, or that was designed exclusively for or modified for the System ("Proprietary Software"). If we introduce Proprietary Software into the System, you must install and use the Proprietary Software in the operation of the Aladdin Doors Business and comply with all specifications and standards prescribed by us regarding the Proprietary Software, as provided from time to time in the Operations Manual, including but not limited to execution of a software license agreement. Upgrades to the Proprietary Software may be implemented into the System at our discretion. Once developed, you will be responsible for maintaining on-going services and support regarding the Proprietary Software, and we or a third party will license the Proprietary Software to you at the then-current published rates.

We shall have the right to access, for any purpose or use related to our operation, management and/or monitoring of the System, any information or reports generated or stored by the required computer system. We shall have the right to access the computer system at your Aladdin Doors Business location at any reasonable time or through a web-based system as we deem necessary for retrieval of information and reports, maintenance or to inspect for compliance with our requirements.

We shall have the right to require you to add to or replace any of the components of your computer system (hardware or software) if, in the future, we deem the component to be (a) undersized or otherwise insufficient for the efficient operation and management of an Aladdin Doors Business, or (b) incompatible with our computer hardware or software, the computer hardware or software that we designate for franchise network use and/or any intranet established for the franchise network.

You must obtain equipment and software as we may require from time to time to make remote credit card processing available to the customers.

M. Internet. You must maintain an active e-mail account and have high speed access to the Internet for use in the operation of your Aladdin Doors Business, for communication with us, and for access to an Aladdin Doors intranet, if developed. The Company has developed and maintains a website (the "Aladdin Doors Website"). The Aladdin Doors Website as it may be developed and changed from time to time is the sole property of the Company. Company may provide to you a page on or linked page from the Aladdin Doors Website. The specifications and procedures you must follow for developing and maintaining a page on the Aladdin Doors Website, including the use of an approved or designated supplier, will be set forth in the Operations Manual or otherwise in writing.

You must not for your own account obtain any domain names for the Internet incorporating the Marks. You must not create, develop, maintain and/or use your own website on the Internet using any of the Marks. You must not use any of the Marks on the Internet in any directory listing or advertising without the Company's prior written consent. You must not make any reference to or any association with the Marks on any social network, blog, micro-blog or other on-line venue or in any other manner on the Internet without the Company's prior written consent. If any of the foregoing uses is specifically permitted in the Operations Manual, Franchisee use must conform completely to all of the applicable standards and procedures set forth in the Operations Manual.

11. MARKETING.

A. Marketing Fund. Recognizing the value of advertising to the goodwill and public image of the Aladdin Doors Franchises, we will administer a marketing fund (the "Marketing Fund") for such marketing, advertising and promotional programs as we, from time to time deem

appropriate in our sole discretion. In Paragraph 9.C, you agreed to contribute to the Marketing Fund.

We will be entitled to direct all advertising, marketing and promotional programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials, and endorsements used in them, and the geographic, market, and media placement and allocation of the programs. You agree that the Marketing Fund may be used to pay the costs of preparing and producing video, audio, written and electronic advertising materials; administering national, regional or local advertising programs including, without limitation, direct mail and other media advertising, and employing advertising agencies to assist in those activities; establishing and maintaining a website for the franchise system; supporting public relations, market research and marketing activities; and providing advertising, marketing and promotional materials to the Aladdin Doors Franchisees. The Marketing Fund will furnish you with approved advertising, marketing and promotional materials on the same terms and conditions as such materials are furnished to other the Aladdin Doors Franchisees.

The Marketing Fund will be a separate and distinct account, and will be accounted for separately from the other funds of the Company and will not be used to defray any of our general operating expenses, except for any reasonable salaries, administrative costs and overhead we may incur in activities reasonably related to the administration of the Marketing Fund and its advertising, marketing and promotional programs (including, without limitation, conducting market research, preparing advertising, marketing and promotional materials, and collecting and accounting for contributions to the Marketing Fund). We may spend in any fiscal year an amount greater or less than the total contribution of the Aladdin Doors Franchisees to the Marketing Fund in that year. We may cause the Marketing Fund to borrow from us or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising, marketing and promotional costs of the Marketing Fund before other assets of the Marketing Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Marketing Fund and will make it available to the Aladdin Doors franchisees.

You understand and acknowledge that the Marketing Fund is intended to maximize recognition of the Marks and patronage of the Aladdin Doors Franchises. Although we will endeavor to use the Marketing Fund to develop advertising, marketing and promotional material, to place advertising and engage in other brand development activities in a manner that will benefit all the Aladdin Doors franchisees, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Marketing Fund by the Aladdin Doors franchisees operating in that geographic area or that any the Aladdin Doors franchisees will benefit directly or in proportion to their contribution to the Marketing Fund from the development of advertising, marketing and promotional materials or the placement of advertising. Except as expressly provided in this Paragraph 11.A, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration

of the Marketing Fund.

We have the right to discontinue or to reestablish the Marketing Fund. In the event we discontinue the Marketing Fund, we will distribute all unspent amounts existing in the Marketing Fund on the date of discontinuance to franchisees in proportion to their respective contributions for the most recent twelve (12) months.

B. Grand Opening Marketing. During the first ninety (90) days of operation of your Aladdin Doors Business, you must spend a minimum of Five Thousand Dollars (\$5,000.00) on a grand opening marketing campaign if you purchase a Territory 1, Territory 2 or Territory 3 Franchise or a minimum of Twelve Thousand Dollars (\$12,000.00) if you purchase a Territory 4 or Territory 5 franchise. The Grand Opening Advertising Campaign must be conducted in accordance with the Operations Manual and/or other written guidelines we issue on Grand Opening Advertising.

C. Advertising Review. Prior to your use of them, samples of all local marketing, advertising and promotional materials and programs and information and content for your webpage (linked to our website) not prepared by us or our approved advertising or public relations agency or not previously approved by us must be submitted to us for approval or disapproval. We will not unreasonably withhold approval of any marketing, advertising or promotional materials or programs or webpage content. If you do not receive written approval within fourteen (14) business days from the date of our receipt of such materials, programs or webpage content submitted by you, the materials, programs or webpage content will be deemed disapproved. You may not use any marketing, advertising or promotional materials or programs or webpage content that we have disapproved. All marketing, advertising and promotional materials and webpage content you use must be completely factual, in good taste (as determined in our sole discretion) and must conform to the highest standards of ethical advertising. You agree to refrain from any marketing, advertising or promotion practice which may be harmful to your Aladdin Doors Business, the business of the Company and the goodwill associated with the Marks and other the Aladdin Doors Franchises.

D. Local Marketing Expenditures. Beginning in the fourth (4th) month of operation of your Aladdin Doors Business and through the twelfth (12th) month of operation, each calendar month, you must spend on local marketing, advertising and promotion a minimum of the greater of (i) twelve percent (12%) of the Gross Revenues (as defined in Paragraph 9.D. of this Agreement) of your Aladdin Doors Business, or (ii) Three Thousand Dollars (\$3,000.00) for the first van plus Two Thousand Dollars (\$2,000.00) for each additional van being used in the operation of your Aladdin Doors Business. Beginning in the thirteenth (13th) month of operation of your Aladdin Doors Business and through the balance of the term of this Agreement, each calendar month, you must spend on local marketing, advertising and promotion a minimum of the greater of (i) ten percent (10%) of the Gross Revenues (as defined in Paragraph 9.D. of this Agreement) of your Aladdin Doors Business, or (ii) Two Thousand Five Hundred Dollars (\$2,500.00) for the first van plus Two Thousand Dollars (\$2,000.00) for each additional van being used in the operation of your Aladdin

Doors Business. Such expenditures will be made directly by you, subject to our approval and direction. Within thirty (30) days of the end of each calendar quarter, you must furnish to us, in a manner approved by us, an accurate accounting of your monthly expenditures on local marketing and promotion for the preceding calendar quarter just ended. We will provide guidelines for local marketing for the Aladdin Doors Franchises and any deviation from such guidelines requires our prior written approval from us.

E. Cooperative Marketing. You must join any local or regional marketing cooperative which has been or may be formed by us consisting of franchisees in your local area or region. You agree to participate in and contribute your share to such marketing, advertising and promotional programs decided upon by the cooperative. Each Aladdin Doors business located in an area covered by the local or regional advertising cooperative, whether owned by us, an affiliate or a franchisee, shall have one vote in the cooperative. The cost of the program shall be allocated among the Aladdin Doors businesses in such area and each Aladdin Doors business' share shall be in proportion to its revenues during the preceding twelve (12) month period, or portion of said period. Said contributions to cooperative marketing, advertising and promotional programs shall be credited towards either the local marketing expenditure required by Paragraph 11.D and/or the marketing fund contribution required by Paragraphs 9.C. and 11.A as determined by us. In no event will you be required to expend greater than the amount you are required to spend on local marketing pursuant to Paragraph 11.D. We assume no direct or indirect liability or obligation to you to or to any local cooperative with respect to the maintenance, direction or administration of the cooperative, including without limitation, any failure by any franchisees to make required contributions to the cooperative. We have the right to dissolve, merge or change the structure of any established local or regional marketing cooperative at any time.

12. RECORDS AND REPORTS.

A. Accounting and Records. You agree to establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system that conforms to our requirements, specifications and formats we prescribe from time to time. You also agree to maintain at the Business Location and preserve for a minimum of three (3) years from the date of their preparation, full, complete and accurate books, records and accounts (utilizing the standard chart of accounts furnished or required by us), copies of sales tax returns and copies of such portions of your and your Owner's state and federal income tax returns as reflect the operation of your Aladdin Doors Business

B. Reports and Tax Returns. You must furnish to us the following:

(1) on or before the time specified by us, statements relating to Gross Revenues for the immediately preceding week (Monday through Sunday).

(2) within twenty (20) days after the end of each calendar month, a monthly profit and loss statement for your Aladdin Doors Business for the immediately preceding month and

year-to-date.

(3) on or before April 15, a profit and loss statement and sources and uses of funds statement for your Aladdin Doors Business for the calendar year and a balance sheet for your Aladdin Doors Business as of the end of the calendar year. If we request, these annual financial statements must have been reviewed by an independent certified public accountant.

(4) within ten (10) days after the end of each calendar quarter, exact copies of all state sales tax returns.

(5) on or before April 25 of each year, exact copies of such portions of your and your Owners' federal and state income tax returns as reflect the operation of your Aladdin Doors Business.

Furthermore, you agree to furnish to us copies of any other reports we designate and such other information and supporting records as we from time to time prescribe. All such financial statements, reports and information must be submitted in the manner we prescribe in the Operations Manual or otherwise in writing. If you shall fail to furnish to us any of the required reports or financial statements by the due date set forth herein, we may charge you a late fee of Fifty Dollars (\$50.00).

You agree to furnish to us (and our agents) for inspection or audit, any other forms, reports, records, financial statements and other information as we may require at your expense. You agree to make such financial and other information available at such locations as we may reasonably request (including our office), and agree to afford us (and our agents) full and free access to that information. We also have the right as often as we deem appropriate to access all web-based software and/or computer systems you are required to use in connection with the operation of your Aladdin Doors Business and to retrieve all information relative to the operation of your Aladdin Doors Business. We (and our agents) will have the right to make extracts from, and copies of, all such documents and information and to disclose data derived from such documents and information without identifying you or the location of your Aladdin Doors Business

13. INSPECTIONS AND AUDITS.

A. The Company's Right to Inspect. To determine whether you are complying with this Agreement, we have the right to inspect your Aladdin Doors Business, including but not limited to the Business Location, the vehicles, the operations and services being performed on customer locations, at any time during business hours, and without prior notice to you. You agree to fully cooperate with our representatives making any such inspection and permit our representatives to take photographs of or film your Aladdin Doors Business and to interview employees and customers of your Aladdin Doors Business

B. The Company's Right to Examine Books and Records. We have the right at any time during business hours, and without prior notice to you, to examine or audit, or cause to be examined or audited, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns and other books and records of your Aladdin Doors Business and the books and records of any entity which holds the Franchise. You agree to fully cooperate with our representatives and independent accountants hired by us to conduct any such examination or audit.

In the event any such examination or audit discloses an understatement of Gross Revenues, you must pay to us, within fifteen (15) days after receipt of the examination or audit report, the royalty fees and any marketing contributions due on the amount of such understatement, plus service charges (at the rate provided in Paragraph 9.H.) from the date originally due until the date of payment. Further, in the event such examination or audit (i) is made necessary by your failure to furnish reports, supporting records, financial statements or other documents or information as required by the Agreement, (ii) is made necessary due to your failure to furnish such reports, records, financial statements, documents or information on a timely basis, or (iii) if an understatement of Gross Revenues for any month is determined by any such examination or audit to be greater than two percent (2%), you agree to reimburse us for the cost of such audit or examination, including, without limitation, the charges of any independent accountants and the travel expenses, room and board and compensation of our employees. The foregoing remedies are in addition to all other remedies and rights we may have under this Agreement or any applicable law.

14. ASSIGNMENT.

A. By the Company. This Agreement and the Franchise are fully assignable by us and will inure to the benefit of any assignee or other legal successor to the interest of the Company herein.

B. By Franchisee With Approval. You understand and acknowledge that the rights and duties created by this Agreement are personal to you and we have granted the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you (and your Owners). Therefore, except as otherwise provided in Paragraph 14.E below, neither the Franchise, your Aladdin Doors Business or a substantial portion of the assets of your Aladdin Doors Business (or any interest therein) nor any part or all of the ownership of the Franchisee may be voluntarily, involuntarily, directly or indirectly, assigned, sold, subdivided, subfranchised or otherwise transferred by you or your Owners (including, without limitation, by merger or consolidation, by issuance of additional securities representing an ownership interest in the Franchisee, or in the event of the death of the Franchisee or an Owner of the Franchisee, by will, declaration of or transfer in trust or the laws of intestate succession) without our prior written approval. Further, neither your Aladdin Doors Business nor a substantial portion of its assets may be transferred without a concurrent transfer of this Agreement and the Franchise to the same transferee. Any such assignment or transfer without our approval will constitute a breach of this Agreement and

will convey no rights to or interests in the Franchise, your Aladdin Doors Business or its assets.

C. Conditions for Approval of Assignment. If you (and your Owners) are in compliance with this Agreement, we will not unreasonably withhold our approval of an assignment, provided that the proposed assignee is, in our opinion, of good moral character and has sufficient business experience, aptitude and financial resources to own and operate an Aladdin Doors Business, does not have any conflicting interests unacceptable to us, and otherwise meets our then applicable standards for franchisees. In addition the following conditions must be met prior to, or concurrently with, the effective date of the assignment:

(1) all obligations of you and your Owners under this Agreement have been assumed by the assignee and, as applicable, its owners;

(2) you have paid such royalty fees, marketing fund contributions, amounts for purchases and any other amounts owed to us or our affiliates which are then due and unpaid;

(3) the assignee completes the initial training program required of new franchisees to our satisfaction;

(4) if required, the lessor of the Business Location has consented to your assignment or sublease of the Business Location to the proposed assignee; or if your Business Location is in your home, the assignee has acquired a new business location approved by us;

(5) the assignee (and, if an entity, its direct or indirect owners) have, at our option, executed and agreed to be bound by either: (a) an assignment and assumption agreement satisfactory to us whereby the assignee assumes your obligations under this Agreement; or (b) the form of franchise agreement, owner guarantees and such other ancillary agreements as are then customarily used by us in the grant of franchises for an Aladdin Doors Business, which may provide for royalty fees, marketing contributions and other fees and terms and conditions that differ from those contained in this Agreement;

(6) you or the assignee must have paid us a transfer fee of seventy-five percent (75%) of the then-current standard, non-discounted initial franchise fee charged for a the Aladdin Doors Franchise (or most recent initial franchise fee charged if we are not offering franchises at that time). In the event the assignee is an existing franchisee that we have approved for an additional franchise, the transfer fee shall be fifty percent (50%) of the then-current standard, non-discounted initial franchise fee charged for a the Aladdin Doors Franchise (or most recent franchise fee charged if we are not offering franchises at that time);

(7) if we have assisted you in locating the assignee, you must have paid us a sales commission in the amount of five percent (5%) of the total purchase price you received in consideration for the assignment;

(8) except to the extent limited or prohibited by applicable law, you (and each of your Owners) must have executed a general release, in form satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents;

(9) you must provide us copies of agreements between you and the assignee pertaining to the assignment and we must have approved the material terms and conditions of such assignment and must have determined that the price and terms of payment are not so burdensome as to adversely affect the future operations of your Aladdin Doors Business by the assignee. We have the right to communicate with and confer with both you and the proposed assignee on any aspect of the proposed assignment and to furnish the proposed assignee with financial and other information regarding your franchise business in our possession;

(10) you must have entered into an agreement with us agreeing that any obligations of the assignee to make installment payments of the purchase price to you will be subordinate to the assignee's ongoing obligations to us, including, without limitation, royalty fees, marketing fund contributions, technology fees, obligations for purchases from us or our affiliates and any other amounts owed to us or our affiliates.

(11) you and or the assignee must agree to make within a time period we specify reasonable capital expenditures to remodel or upgrade the Business Location so that the Aladdin Doors Business reflects the then-current image intended to be portrayed by an Aladdin Doors Business, including trade dress, color schemes, lay-out and presentation of the Marks. All remodeling and upgrades to the Business Location must be done in accordance with standards and specifications as prescribed by us.

Our consent to an assignment of any interest subject to the restrictions of Paragraph 14.B or 14.C will not constitute a waiver of any claims we may have against the assignor, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of this Agreement by the assignee.

D. Death or Disability of Franchisee. Upon the death or permanent disability of you (or any of your Owners), the executor or other personal representative of such person must transfer such person's interest within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, to a person approved by us. Such transfers, including, without limitation, transfers by devise or inheritance, will be subject to all the terms and conditions for assignments and transfers contained in Paragraphs 14.B and 14.C. Failure to transfer such interest within the required period of time will constitute grounds for termination under Section 15. Prior to such transfer, the executor or other personal representative of such person, or the remaining Owners, must appoint a competent manager within a reasonable time, not to exceed thirty (30) days from the date of death or permanent disability. The appointment of this manager is subject to our prior written approval, and this manager must, if requested by us, attend and satisfactorily complete our training program. If the

Aladdin Doors Business is not being managed by an Operating Manager approved by us within thirty (30) days after the death or permanent disability, we are authorized, but we are not required, to immediately appoint a manager to maintain the operations of the Aladdin Doors Business. Our appointment of a manager for your Aladdin Doors Business will not relieve you of your obligations under this Agreement, and we will not be liable for any debts, losses, costs or expenses incurred in the operation of your Aladdin Doors Business or to any of your creditors for any products, materials, supplies or services purchased by your Aladdin Doors Business during any period in which it is managed by the manager appointed by us. We have the right to charge a reasonable non-refundable fee for such management services and to cease providing such management services at any time.

E. Assignment to an Entity. Upon thirty (30) days prior written notice to us, the Franchise and the assets and liabilities of your Aladdin Doors Business may be assigned, by an agreement in form and substance approved by us, to an entity that conducts no business other than the operation of an Aladdin Doors Business (and other Aladdin Doors franchises under franchise agreements with us), which is actively managed by you, and in which you own and control all of the equity and voting power. Such an assignment will not relieve you of your obligations under this Agreement, and you must undertake to guarantee all of the new entity's obligations under the franchise agreement and to be bound jointly and severally by all provisions of this Agreement. The articles of incorporation or organization, by-laws and other organizational documents of such entity must recite that the issuance and assignment of any interest in such entity is restricted by the terms of Section 14 of this Agreement and all issued and outstanding certificates of ownership interest in the entity must bear a legend reflecting or referring to the restrictions of Section 14 of this Agreement. No transfer fee shall be payable on an assignment under this Paragraph 14.E. You must submit to us any and all documents reasonably requested by us to show compliance with this Paragraph 14.E.

F. The Company's Right of First Refusal. If you or your Owners at any time wish to sell, assign or transfer for consideration either the Franchise, your Aladdin Doors Business (or an interest therein) or an ownership interest in the Franchisee, except for assignment to an entity pursuant to Paragraph 14.E above, you or your Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must submit an exact copy of such offer to us. We will have the right, exercisable by written notice delivered to you or your Owners within thirty (30) days from the date of delivery of an exact copy of such offer to us, to purchase the Franchise, your Aladdin Doors Business (or such interest therein) or such ownership interest in the Franchisee for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer, we will have no less than sixty (60) days to prepare for closing and we will be entitled to all representations and warranties customarily given to the direct or indirect purchaser of a business. If we do not exercise our right of first refusal, you or your Owners may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to our approval of the purchaser as provided in Paragraphs 14.B and 14.C, provided that if the sale to such purchaser is not completed within one-hundred twenty (120) days after delivery of such offer to us, or if there is a material change in the terms of the offer, we will again have the right of first refusal herein provided.

G. Compliance with State and Federal Laws. You agree that in connection with any proposed assignment or transfer hereunder, you will comply at your own expense with all applicable state and federal franchise registration and disclosure laws or rules governing the offer and sale of franchises and other laws. You further agree to indemnify us for any expense (including attorneys' fees) incurred in connection with your failure to comply with any such franchise registration and disclosure laws or other laws and to hold us and our officers, directors, shareholders and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with any alleged failure on your part to comply with any such franchise registration and disclosure laws or other laws.

H. Owner's Obligations. Any person who is, on the date of this Agreement, or becomes an Owner of Franchisee (if you are an entity) during the term of the Franchise must execute an agreement in a form furnished or approved by us undertaking to guarantee all of your obligations pursuant to this Agreement and be personally bound jointly and severally by all provisions of this Agreement. You agree to furnish to us at any time upon request a certified copy of your organizational documents and a list, verified as being true and correct and in such form as we may require, of all direct and indirect Owners reflecting their respective interests in the Franchisee.

15. TERMINATION OF THE FRANCHISE.

A. By the Company Without Opportunity to Cure. You will be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted by this Agreement, without affording you an opportunity to cure the default, effective immediately upon delivery of notice of termination to you, if you (or any of your Owners):

(1) fail to open your Aladdin Doors Business for business as provided in Paragraphs 4.C or fail to satisfactorily complete the training program as provided in Paragraph 5.A;

(2) abandon, surrender, transfer control of, lose the right to occupy the Business Location, or fail to actively operate your Aladdin Doors Business for five (5) or more consecutive days without our prior written consent;

(3) have made any material misrepresentation or omission in your application for the franchise rights conferred by this Agreement;

(4) are convicted of or plead no contest to a felony or engage in any dishonest or unethical conduct which may adversely affect the reputation of the Company, your Aladdin Doors Business, the System or the goodwill associated with the Marks;

(5) make an unauthorized assignment or transfer of this Agreement or your Aladdin Doors Business in violation of Section 14 herein;

(6) make any unauthorized use or disclosure of any Confidential Information, make any unauthorized use of the Marks or any other identifying characteristics of the System or otherwise impair the goodwill associated with these characteristics, or use, duplicate, or disclose any portion of the Operations Manual or other proprietary written materials;

(7) you (or any of your Owners) fail to comply with the covenants contained in Paragraph 7.B or 7.C of this Agreement,

(8) cause a threat or danger to public health or safety resulting from the operation of your Aladdin Doors Business and upon receipt of written or oral notice from us or governmental authority of the existence of such threat or danger, you fail to immediately cease any activity or conduct causing the threat or danger and fail to complete the cure of such breach within two (2) days.

(9) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to (i) submit when due financial statements, reports or other data, information or supporting records; (ii) pay when due the royalty fees, marketing contributions, other payments due to us or to pay amounts due to other persons (including by failing to have insufficient funds in the designated bank account on the date for electronic withdrawal); (iii) pay when due any approved or designated suppliers; or otherwise fail to comply with this Agreement, or with any mandatory specification, standard or operating procedures we prescribe from time to time, whether or not such failures to comply are corrected after notice of those failures to comply is delivered to you.

(10) you have two (2) or more absences not excuse by us in writing from any mandatory supplemental education or conference required by Paragraphs 5.C. or 5.D. of this Agreement.

This Agreement will expire automatically without notice upon the presentation for filing by you (or any of your Owners) of a petition or application seeking any type of relief under the Federal Bankruptcy Act or any state insolvency or similar law. (Upon presentation for filing of such a petition or application, the term of this Agreement will be deemed to be amended so that the expiration of this Agreement occurs at the moment said petition or application is presented to a court official for stamping and filing.) This Agreement will also terminate automatically without notice if someone files a petition or application seeking to have you (or any of your Owners) adjudicated a bankrupt or insolvent, or seeking other relief against you (or any of your Owners) under the Bankruptcy Act or any state insolvency or similar law and the petition or application is not dismissed within sixty (60) days after it is filed. In that event, the term of this Agreement will be deemed to be amended so that it expires on the 60th day after filing. You (and your Owners) expressly and knowingly waive any rights you may have under the provisions of the Federal Bankruptcy Rules, and consent to the termination or expiration of this Agreement, or any other relief which we may seek in a complaint to lift the provisions of any automatic stay under any bankruptcy rules. In addition, you (and your Owners) agree not to seek any injunctive relief from any court in

any jurisdiction which would have the effect of staying or enjoining this provision.

B. By the Company With Opportunity to Cure. We have the right to terminate this Agreement upon written notice to you if you (or any of your Owners):

(1) fail to accurately report the Gross Revenue of your Aladdin Doors Business or to timely pay royalty fees, marketing contributions, or other payments due to us or our affiliates, and do not correct such failure within ten (10) days after written notice of such failure is delivered to you;

(2) fail to timely pay any approved or designated suppliers for purchases, and do not correct such failure within ten (10) days after written notice of such failure is delivered to you;

(3) commit any act or omission of default under the lease for the Business Location and do not cure the default within the applicable cure period set forth in the lease; or

(4) fail to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedure we prescribe from time to time, and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you. If such breach cannot be reasonably be cured within such thirty (30) day period and if you commence a bona fide program to cure such breach within thirty (30) days and continue to take such actions as are necessary to complete such cure until completed, you will be given the reasonable amount of time required to complete the cure. If you fail to continue to take the necessary action to cure or you do not complete the cure within the reasonable period, then we may terminate this Agreement effective upon delivery to you of written notice that such breach has not been cured in a reasonable time and we are electing to terminate.

C. By the Franchisee. If you are in full compliance with this Agreement and Company materially breaches this Agreement and fails to cure such breach within sixty (60) days after written notice thereof is delivered to Company, or if such breach cannot reasonably be cured within such sixty (60) day period and Company fails to commence a bona fide program to cure such breach within such sixty (60) day period and continues to complete such cure, then you may terminate this Agreement effective ten (10) days after delivery to Franchisor of written notice that such breach has not been cured and you are electing to terminate. A termination of this Agreement for any other reason than breach of this Agreement by Company and failure to cure such breach within the time period specified herein shall be deemed a termination by you without cause.

D. Right to Operate Upon Default. In addition to our right to terminate this Agreement and not in lieu of such right or any other rights, in the event that you have not cured a default under this Agreement within fourteen (14) days after receipt of a written notice of default, we may, at our option, enter upon the Business Location and exercise complete authority with respect to the operation of your Aladdin Doors Business until such time as we determine that the default has been cured and that there is compliance with the requirements of this Agreement. You acknowledge

and agree that our agent or other representative designated by us may take over, control and operate your Aladdin Doors Business, that you shall pay us the then-current published fee for such service, plus all travel expenses, room and board and other expenses reasonably incurred by such agent or representative so long as it shall be required to enforce compliance with this Agreement. You further acknowledge that if we temporarily operate your Aladdin Doors Business for you under this Paragraph 15.D., you will indemnify and hold harmless Company and any agent or representative of the Company respecting any and all claims arising out of our operation of your Aladdin Doors Business under this Paragraph 15.D. Nothing in this Paragraph 15.D. shall require us to operate your Aladdin Doors Business when you are in default.

16. RIGHTS OF THE COMPANY AND OBLIGATIONS OF FRANCHISEE UPON TERMINATION OR EXPIRATION OF THE FRANCHISE.

A. Payment of Amounts Owed to the Company. You agree to pay to us within ten (10) days after the effective date of termination or expiration (without renewal) of this Agreement such royalty fees, marketing fund contributions, technology fees, late fees and interest due us on any of the foregoing and all other amounts owed to us and our affiliates which are then unpaid. You must furnish a complete accounting of all such amounts owed to us and our affiliates with the payment.

B. The Marks. You (and your Owners) agree that after the termination or expiration (without renewal) of this Agreement you will:

(1) not directly or indirectly at any time or in any manner identify yourself or any business as a current or former the Aladdin Doors Business, or as a franchisee or licensee of or as otherwise associated with the Company, or use the Marks, any colorable imitation thereof or other indicia of an Aladdin Doors Business in any manner or for any purpose, or utilize for any purpose any trade name, trademark, service mark, trade dress, domain name, or other commercial symbol that suggests or indicates a connection or association with the Company;

(2) promptly return to us or destroy (whichever we specify) all signs, promotional and advertising materials and other materials containing the Marks or otherwise identifying or relating to an Aladdin Doors Business;

(3) promptly remove all graphics and signage from the vehicles (unless we direct otherwise if we intend to purchase your vehicles pursuant to Paragraph 16.G.) and send us picture of the vehicles used in the Aladdin Doors Business within ten (10) days of the date of termination showing us that all of the Marks have been removed;

(4) promptly take such action as may be required to cancel all fictitious or assumed name, "doing business as" or equivalent registrations relating to your use of the Marks;

(5) promptly notify the telephone company and all listing agencies of the termination or

expiration of your right to use any telephone number and any telephone directory listings associated with the Marks and to authorize transfer of same to or at the direction of the Company. You acknowledge that as between the Company and you, we have the sole right to and interest in all telephone numbers and directory listings associated with the Marks, and you authorize the Company, and by execution of the Exhibit 3 Conditional Assignment of Telephone Number have appointed the Company and any officer of the Company as your attorney-in-fact, to direct the telephone company and all listing agencies to transfer same to the Company or at its direction, should you fail or refuse to do so, and the telephone company and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of the Company in such telephone numbers and directory listings and its authority to direct their transfer;

(6) furnish to us within thirty (30) days after the effective date of termination or expiration evidence satisfactory to us of your compliance with the foregoing obligations.

C. Confidential Information. You agree that upon termination or expiration (without renewal) of this Agreement, you will immediately cease to use in any business or otherwise the Confidential Information disclosed to you pursuant to this Agreement and will return to us, at your expense, all copies of the Operations Manual, any proprietary software and other materials containing our proprietary information which have been loaned to you by us.

D. Cease Operations. Upon termination or expiration of this Agreement, you shall immediately cease to operate your Aladdin Doors Business under this Agreement, either as a franchised or as a non-franchised facility, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of the Company.

E. Assignment of Lease. Upon termination or expiration of this Agreement, at our option and unless the Business Location is in your home, you shall immediately assign to us your interest in any lease then in effect for the premises of your Aladdin Doors Business. On the later of the execution of this Agreement or the date you execute a lease for the Business Location, you shall execute the Collateral Assignment of Lease attached hereto as Exhibit 4, have such document signed by the lessor, and deliver the signed document to us.

F. De-Identification of Business Location. Upon termination or expiration of this Agreement, you agree, in the event you continue to operate or subsequently begin to operate any other business (subject to any restrictions against doing so provided in this Agreement), not to use any reproduction, counterfeit, copy or colorable imitation of the Marks either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our exclusive rights in and to the Marks and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us so as to constitute unfair competition. If we do not opt to take assignment of the lease for the Business Location upon the expiration or termination of this Agreement, you shall immediately make such modifications or alterations to the Business

Location as may be necessary to prevent any association between us or the System and any business thereon subsequently operated by you or others, and shall make such specific additional changes thereto as we may reasonably request for that purpose, including, without limitation, removal of all distinctive physical and structural features identifying the System. In the event you fail or refuse to comply with the requirements of this Paragraph, we shall have the right to enter upon the premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required at your expense, which expense you agree to pay upon demand.

G. Purchase of Assets. Upon termination or expiration of this Agreement, we shall have the right (but not the duty), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase for cash any or all vehicles, fixtures, equipment, product inventory, supplies, and all items bearing the Marks, at your cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, an independent appraiser acceptable to you shall be designated by us, and his determination shall be binding. If we elect to exercise any option to purchase herein provided we shall have the right to set off all amounts due from you under this Agreement, and the cost of the appraisal, if any, against any payment therefore.

H. Covenants. Upon termination or expiration of this Agreement, you shall comply with the covenants contained in Section 17 of this Agreement.

I. Continuing Obligations. All obligations of the Company and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

17. POST-TERM COVENANT NOT TO COMPETE.

A. Covenant Not To Compete. Upon assignment, termination or expiration (without renewal) of this Agreement, you (and your Owners) agree that for a period of two (2) years, commencing on the effective date of termination or expiration, or the date on which you cease to conduct the business conducted pursuant to this Agreement, whichever is later (the "Commencement Date"), you (and your Owners) will not:

(1) have any direct or indirect interest as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in (a) any business selling services or products substantially similar to the Aladdin Doors Business being offered as of the date of termination or expiration (except other the Aladdin Doors Franchises operated pursuant to franchise agreements with us), which is located (i) within twenty (20) miles of your Territory or (i) within

twenty (20) miles of the territory of any other then existing Aladdin Doors Business, or (b) any entity which is granting franchises or licenses or entering into joint venture relationships for any business which offers products or services similar to those offered by an Aladdin Doors Business, other than the ownership of securities traded on a stock exchange or on the over-the-counter market that represent five percent (5%) or less of that class of securities.

(2) directly or indirectly divert or attempt to divert any former business or customer of your Aladdin Doors Business to any competitive business;

(3) employ or seek to employ any person employed by Company or by any other Aladdin Doors franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment; and

(4) directly or indirectly, solicit or sell products or services to any former retail or wholesale customer of your Aladdin Doors Business

B. Court Modification of Agreement. You agree that this form of Agreement is prepared for use in many jurisdictions with differing public policies and that such public policies change. Accordingly, you agree that the prevailing non-competition restrictions set forth above may be modified by a Court to the extent necessary to make the non-competition agreements valid and enforceable against you.

C. Enforcement of Covenants Not to Compete. You acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to the Company for which no adequate remedy at law will be available. Accordingly, you hereby acknowledge that the Company may seek to obtain the entry of an injunction prohibiting any conduct by you or your Owners in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through your unlawful utilization of the Company's Confidential Information. Further, you expressly agree that the existence of any claims you may have against the Company, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Company of the covenants not to compete set forth in this Agreement. You further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by the Company in connection with the enforcement of those covenants not to compete set forth in this Agreement.

18. ENFORCEMENT.

A. Invalid Provisions; Substitution of Valid Provisions; Severability. To the extent that any provision of this Agreement is deemed unenforceable, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties

expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

If any lawful requirement or court order of any jurisdiction: (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement; or (2) makes any provision of this Agreement or any specification, standard or operating procedure we prescribed invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted. No modification will impact the operation of, or have any other effect upon, any other terms, provisions, and/or covenants of this Agreement.

The provisions of this Agreement are deemed to be severable. The parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

B. Waiver of Obligations/Approvals and Consents. Either you or the Company may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Whenever this Agreement requires our prior approval or consent, you must make a timely written request for it. Our approval or consent will not be valid unless it is in writing.

We make no warranties or guaranties upon which you may rely, and we assume no liability or obligation to you, by virtue of granting any waiver, approval or consent, or by reason of any neglect, delay or denial of any request for a waiver, approval or consent. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days prior written notice.

Neither you nor the Company will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate the Franchise prior to the expiration of its terms), by virtue of: (i) any custom or practice of the parties at variance with the terms hereof; (ii) any failure, refusal or neglect of either of us to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder, including, without limitation, any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Aladdin Doors Businesses; or (iv) the acceptance by us of any payments due from you after any breach of this Agreement.

Neither you nor the Company will be liable for loss or damage or deemed to be in breach of

this Agreement if the failure to perform our respective obligations results from: (i) transportation shortages or inadequate supply of labor, material or energy beyond the control of the parties, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (ii) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (iii) acts of God; (iv) acts or omissions of the other party; (v) fires, strikes, embargoes, war, riot or acts of terrorism; or (vi) any other similar event or cause. Any delay resulting from any of the causes set forth above will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. Specific Performance; Injunctive Relief. Provided we give you the appropriate notice, we will be entitled, without being required to post a bond, to seek the entry of temporary and permanent injunctions and orders of specific performance to: (i) enforce the provisions of this Agreement relating to your use of the Marks and your non-disclosure and non-competition obligations under this Agreement; (ii) prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, ordinance or regulation, constitutes a danger to the public, or may impair the goodwill associated with the Marks or the Aladdin Doors Franchises or (iii) prevent any other irreparable harm to our interests. If we obtain an injunction or order of specific performance, you agree to pay us an amount equal to the total of our costs of obtaining it, including, without limitation, reasonable attorneys', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses and travel and living expenses, and any damages we incur as a result of the breach of any such provision. You further agree to waive any claims for damage in the event there is a later determination that an injunction or specific performance order was issued improperly.

D. Cumulative Remedies. The rights and remedies specifically granted to either you or us by this Agreement will not be deemed to prohibit either of us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

E. Mediation. Prior to commencing any legal proceeding, you must give notice to us setting forth in reasonable detail the nature and basis of the claim or dispute and the parties shall then seek to negotiate and resolve the dispute by negotiation through an independent mediator. Unless otherwise mutually agreed, mediation shall commence within two (2) weeks after the selection of the mediator. Mediation shall continue until the parties agree to terminate the process, the mediator determines that the process is not working (i.e., has reached an impasse), or thirty (30) days have elapsed since the commencement of mediation and the parties do not by mutual agreement extend the process. Any recommendation or decision by the mediator shall be non-binding and confidential. The fees and expenses of the mediator shall be shared equally by the parties, and each party shall bear its own costs otherwise. In the event the dispute is not resolved through mediation as provided herein, either party may proceed immediately to arbitration concerning the dispute. Each party hereby agrees that all statements made in the course of mediation shall be strictly confidential, and shall not be disclosed to or shared with any third parties, other than the mediator. Each party also agrees that any documents or data specifically

prepared for use in good faith negotiations and/or mediation shall not be disclosed to or shared with any third party except those parties whose presence is necessary to facilitate the mediation process. The parties agree not to make copies of any such documents, and to return them to the other party upon the conclusion of the mediation. Each party agrees and acknowledges that no statements made in, or evidence specifically prepared for mediation shall be admissible for any purpose in any subsequent proceedings. We shall have no obligation to mediate claims that are the subject of Paragraph 18.C herein.

F. Governing Law/Consent to Jurisdiction. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et sea.) or any other applicable federal law, this Agreement and the Aladdin Doors Franchise will be governed by the laws of the state of Company's then current principal place of business, except that the provisions of any franchise law of such state shall not apply unless the jurisdictional requirements of said law have been met independently of this provision.

Subject to the provisions of Paragraph 18.G, you agree that we may institute any action against you arising out of or relating to this Agreement in any state or federal court of general jurisdiction over the county of Company's then current principal place of business, and you (and your Owners) irrevocably submit to the exclusive jurisdiction of such court and waive any objection you may have to either the jurisdiction or venue of such court. You agree to the exclusive jurisdiction of such courts and agree not to sue us regarding any matter relating in any way to this Agreement except in such courts.

G. Mandatory and Binding Arbitration. Except as provided in Paragraph 18.C. or as otherwise stated herein, all disputes, controversies or claims arising out of or relating to this Agreement shall be submitted for arbitration to the Chicago, Illinois office of the American Arbitration Association. Such arbitration proceedings shall be conducted in Chicago, Illinois and shall be heard by one arbitrator in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. § 1 et seq.) shall be governed by it.

The arbitrator shall have the right to award or include in his award any relief which he deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, in accordance with Paragraphs 18.C. and 18.K., provided that the arbitrator shall not have the authority to award exemplary or punitive damages, nor shall he have jurisdiction over any dispute relating to the ownership, validity or registration of any name or Mark licensed hereunder. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The parties agree to be bound by the provisions of any limitation on the period of time by which claims must be brought. The parties further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted

or filed in such proceeding shall be barred.

Arbitration shall be conducted on an individual, not a class-wide, basis and any arbitration proceeding between you and Company shall not be consolidated with any other arbitration proceeding involving Company and any other person or entity.

This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Notwithstanding the above and foregoing, we shall have the right to apply directly to a court of competent jurisdiction for specific performance or injunctive relief as set forth in paragraph 18.C. of this Agreement in lieu of filing an arbitration demand.

H. WAIVER OF JURY TRIAL.

EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

I. Limitations of Claims

Any claim concerning the Aladdin Doors Franchise or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which you or Company knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

J. Limitation of Damages

You and Company each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Paragraph 18.K herein.

K. Costs and Attorneys' Fees. If a claim for amounts owed by you to us or our affiliates is asserted in any legal proceeding before a court of competent jurisdiction or arbitrator, or if you or the Company is required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees.

L. Binding Effect. This Agreement is binding on and will inure to the benefit of our successors and assigns and will be binding on and inure to the benefit of your successors and assigns, and if you are an individual, on and to your heirs, executors and administrators.

M. Entire Agreement; Modifications. This Agreement, together with the introduction and exhibits and attachments to it and the Operations Manual and all other written standards,

specifications or policies issued by Company, constitute the entire agreement between us, and there are no other oral or written understandings or agreements between us concerning the subject matter of this Agreement. However, this Paragraph does not disclaim the representations Company made in the Company's Franchise Disclosure Document that was furnished to you. Except for modifications permitted to be made unilaterally by us, this Agreement may be modified only by written agreement signed by both you and us.

N. No Liability to Others; No Other Beneficiaries. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement, and no other party will have, or is intended to have, any rights because of this Agreement. We do not warrant that the obligations of this Agreement have been agreed to by or will be enforced against any of our other franchisees.

O. Construction. The headings of the several sections and paragraphs of this Agreement are for convenience only and do not define, limit or otherwise affect the meaning or construction of any provision.

The term "you" or "Franchisee" as used in this Agreement is applicable to one or more persons or an entity, as the case may be; the term "entity" means any non-human entity created at law, including, without limitation, corporations, partnerships and limited liability companies, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time the Franchisee or an Owner of Franchisee under this Agreement, their obligations and liabilities to us will be joint and several. References to the "Franchisee" and assignee which are applicable to an individual or individuals mean the direct or indirect owner(s) of the equity or operating control of the Franchisee or the assignee, if the Franchisee or the assignee is an entity.

Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you.

The term "affiliate" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by us that owns or operates the Aladdin Doors Businesses, sells products used in connection with the operation of an Aladdin Doors Business, is otherwise associated with the System, or otherwise transacts business with you.

Time is of the essence of this Agreement.

P. Anti-Terrorism Laws. You and your Owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee, you and your Owners certify, represent, and warrant that none of your property or interest is subject to being "blocked" under any of the Anti-Terrorism Laws and that your and/or your Owners are not otherwise in violation of any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" means Executive Order 13224

issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing in or in any way relating to terrorist acts and acts of war. You and your Owners acknowledge and agree that any violation of the Anti-Terrorism Laws by any of you or your employees or any “blocking” of any of your assets under the Anti-Terrorism laws shall constitute grounds for immediate termination of this Agreement and any other agreement you shall have entered with us or its affiliates, in accordance with the termination provisions of this Agreement.

19. NOTICES AND PAYMENTS.

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual will be deemed to be delivered at the time delivered by hand, one (1) business day after deposit within commercial overnight courier or three (3) business days after placement in the U.S. Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified or to any other place designated by either party, or on the date of receipt of transmission of an e-mail from us on the condition that we also send a hard copy of the notice by U.S. Mail on the same date the e-mail is sent to you.

All payments and reports required by this Agreement must be directed to us at the address of which you are notified from time to time, or in such other manner or to such other persons and places as we may direct from time to time.

20. GUARANTY AND ASSUMPTION OF OBLIGATIONS.

This Agreement must be personally guaranteed and the obligations hereunder assumed by the Owners of the Franchisee, if the Franchisee is an entity. Concurrent with the execution of this Agreement, all such Owners must execute the Guaranty and Assumption of Obligations which is attached hereto as Exhibit 2.

IN WITNESS WHEREOF the parties hereto have executed, sealed and delivered this Agreement in counterparts on the day and year first above written.

FRANCHISOR:
ALADDIN DOORS FRANCHISING, INC.
An Illinois corporation

By: _____
Title: _____

Franchisee

Franchisee

or if Franchisee is an entity:

A _____

By: _____

Its: _____

**EXHIBIT 1 TO THE
FRANCHISE AGREEMENT**

TERRITORY AND INITIAL FRANCHISE FEE

Territory

The boundaries of the Territory are described as follows: *[INSERT DESCRIPTION]*

If a map is attached hereto, the boundaries of the Territory as shown on the map shall control.

The parties acknowledge and agree that the Territory described above contains the following number of non-multi-unit housing units: _____.

Initial Franchise Fee

Based on the number of non-multi-unit housing units in the Territory described above, Franchisee is purchasing the following franchise for the initial franchise fee described below *[initial as applicable]*:

_____ Territory 1 Franchise for \$10,000 for 100,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 100,000 *[fill in as applicable]* \$_____

_____ Territory 2 Franchise for \$20,000 for 200,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 200,000 *[fill in as applicable]* \$_____

_____ Territory 3 Franchise for \$25,000 for 300,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 300,000 *[fill in as applicable]* \$_____

_____ Territory 4 Franchise for \$30,000 for 400,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 400,000 *[fill in as applicable]* \$_____

_____ Territory 5 Franchise for \$35,000 for 500,000 non-multi-unit housing units, plus \$0.10 for each additional unit over 500,000 *[fill in as applicable]* \$_____

Territory and Initial Franchise Fee as indicated above are hereby agreed to by the parties.

ALADDIN DOORS FRANCHISING, INC.

An Illinois corporation

By _____
Title: _____

Franchisee

Franchisee

or if Franchisee is an entity:

A _____

By: _____
Its: _____

**EXHIBIT 2 TO THE
FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20____, by _____

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement on this date (the "Agreement") by Aladdin Doors Franchising, Inc. (the "Company"), each of the undersigned hereby personally and unconditionally, jointly and severally: (a) guarantees to the Company, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by the Company of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (1) his direct and immediate liability under this Guaranty will be joint and several with all other current and future guarantors of Franchisee's obligations; (2) he will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability will not be contingent or conditioned upon pursuit by the Company of any remedies against Franchisee or any Other person; (4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Company may from time to time grant to Franchisee or to any Other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) this Guarantee shall apply to any amounts recovered from Company as a preference, fraudulent transfer or otherwise in a bankruptcy or similar proceeding.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

% OF INTEREST IN FRANCHISEE

Print Name: _____
Address: _____

Print Name: _____
Address: _____

Print Name: _____
Address: _____

Print Name: _____
Address: _____

(Percentage must equal 100)

**EXHIBIT 3 TO THE
FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBER

**CONDITIONAL ASSIGNMENT OF FRANCHISEE'S
TELEPHONE NUMBERS**

Franchisee (Assignor): _____, whose business address is _____, in consideration of the granting of a franchise to Assignor contemporaneously herewith, and other valuable consideration paid by Aladdin Doors Franchising, Inc., an Illinois corporation. (Franchisor/Assignee), having its principal place of business at 2255 Lois Drive, Unit 6, Rolling Meadows, IL 60008, hereby assigns unto the Assignee all telephone numbers and listings utilized by Assignor in the operation of Assignor's Aladdin Doors Business at Assignor's address above-referenced. Assignor acknowledges that Aladdin Doors and associated marks are solely the property of Franchisor/Assignee. As such, Assignor's right to use any telephone numbers and directory listings associated with Aladdin Doors trademarks and service marks was solely due to a limited license granted by Assignee/Franchisor in connection with the Assignee/Franchisor's trademark(s)/service mark(s) pursuant to a Franchise Agreement. Once said license has expired and/or terminated pursuant to the expiration or termination of the Franchise Agreement, Assignor has no right to the telephone number or directory listing associated with the Assignee/Franchisor's trademark, including, but not limited to Aladdin Doors.

This Assignment shall constitute authorization to the appropriate telephone company to change and transfer to Franchisor/Assignee all of Assignor's rights in and to the use of said business telephone lines and Assignor hereby irrevocably appoints and authorizes Franchisor/Assignee to act as Assignor's attorney-in-fact and hereby empowers Franchisor/Assignee to execute such instruments in the Assignee's name in order to give full effect to this Assignment and to effectuate any transfer.

Upon the Assignment, the Assignee hereby assumes the performance of all of the terms, covenants and conditions of the Telephone company with respect to such telephones, telephone numbers and telephone listings with the full force and effect as if the Assignee has been originally issued such telephones, telephone numbers, telephone listings and the usage thereof.

ASSIGNOR (Franchisee):

ASSIGNEE (Franchisor):
ALADDIN DOORS FRANCHISING,
INC.

By: _____

By: _____

**EXHIBIT 4 TO THE
FRANCHISE AGREEMENT**

COLLATERAL ASSIGNMENT OF LEASE

COLLATERAL ASSIGNMENT OF LEASE

KNOW ALL MEN BY THESE PRESENTS, that _____, a _____ ("Assignor"), does hereby assign, transfer and set over unto Aladdin Doors Franchising, Inc., an Illinois corporation (the "Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease or sublease (collectively, the "Lease") dated _____, 20____ between Assignor, as tenant, and _____ as landlord or sublessor, for the premises known as _____.

This Assignment is for collateral purposes only, and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the lease unless Assignee shall elect to assume the rights and obligations of Assignor under the Lease. Assignee shall make such election by mailing written notice of such election to Lessor and Assignor by United States Certified Mail, duly addressed and posted or by reputable overnight commercial delivery service.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and its interests therein and that Assignor has not previously and is not obligated to, assign or transfer any of its interests in the Lease or the premises demised thereby.

This Assignment is given to Assignee to secure the faithful performance by Assignor of the terms and conditions of the Franchise Agreement dated the _____ day of _____, 20____, between Assignor and Assignee (the "Franchise Agreement"). Upon a default by Assignor under the Lease, a default by Assignor under the Franchise Agreement, or the expiration or termination of the Franchise Agreement, Assignee shall have the right and is hereby empowered, upon ten (10) days notice to the Assignor, to assume the above-referenced Lease and take possession of the premises.

Further, Assignor agrees to indemnify Assignee against and to reimburse Assignee for all valid claims, obligations, losses, damages and taxes occurring or accruing on or prior to the date upon which Assignee assumes the Lease and for all costs reasonably incurred by Assignee in defense of any such valid claim brought against it or in any action concerning such a claim in which Assignee is made a party, including without limitation, reasonable attorneys' and expert witness fees, costs of investigation and proof of facts, court costs and other litigation expenses to include travel and living expenses.

This Assignment shall be in full force and effect for the full term of the Lease hereinabove described and any renewal or extension terms, including any such renewal pursuant to the terms of the Lease. Upon expiration of the Lease, this Assignment shall be null and void.

IN WITNESS WHEREOF, Assignor and Assignee have affixed their signatures hereon this _____ day of _____, 20____.

FRANCHISOR:
ALADDIN DOORS FRANCHISING, INC.

FRANCHISEE:

By: _____
Its: _____

By: _____
Its: _____

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease described above hereby:

(a) Consents to the foregoing Collateral Assignment of Lease executed by _____ (“Assignor”) in favor of Aladdin Doors Franchising, Inc. (“Assignee”), and agrees that if Assignee takes possession of the leased premises and confirms to Lessor the assumption of the Lease by Assignee as lessee under it in writing, Lessor shall recognize Assignee as lessee under the Lease, provided that Assignee cures the defaults of Assignor under the Lease within thirty (30) days of notice to Assignee that Assignor has not cured its defaults; and

(b) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the lessee's obligations under the Lease and who is reasonably acceptable to Lessor, and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, lessee or otherwise.

LESSOR:

Dated: _____

CORPORATE SIGNATURE:

ATTEST:

a _____ corporation

By: _____

By: _____

Its: _____

Its: _____

Exhibit B to Franchise Disclosure Document

CONVERSION ADDENDUM TO FRANCHISE AGREEMENT

CONVERSION ADDENDUM TO FRANCHISE AGREEMENT

THIS CONVERSION ADDENDUM TO FRANCHISE AGREEMENT (“Conversion Addendum”) is to a Franchise Agreement entered into between Aladdin Doors Franchising, Inc., an Illinois corporation (“we”, “us”, or “Franchisor”) and _____ (“you” or “Franchisee”) executed contemporaneously with this Conversion Addendum.

WHEREAS, you currently own and operate a garage door installation and repair service business and have owned and operated such business for one (1) year or more, and desire to convert such business to an Aladdin Doors Franchise by entering into a Franchise Agreement with us;

WHEREAS, you have submitted an application to us seeking permission to become a conversion Franchisee of Franchisor, and we have approved such application based on your representations, including those set forth herein, and desires to grant to you a franchise upon the terms and subject to the conditions hereof and subject to the terms and conditions of the Franchise Agreement executed simultaneously herewith.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREINAFTER SET FORTH, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:

1. This Conversion Addendum shall amend and supplement the Franchise Agreement simultaneously executed by the parties herein ("Franchise Agreement"). The terms, covenants and conditions of this Agreement are incorporated into the Franchise Agreement, and with respect to any conflict between the two (2) agreements, the terms of this Agreement shall be controlling with respect to the subject matter thereof. Except as expressly set forth in this Conversion Addendum, the rights, duties and obligations of the parties with respect to Franchisee’s Aladdin Doors Business shall be the same as the rights, duties and obligations of the parties with respect to the Aladdin Doors Business described in the Franchise Agreement.

2. Section 4.A on Business Location and Franchisor Approval is hereby deleted based on that fact that you already have a business location which has been approved for use by us for the operation of your Aladdin Doors Franchise.

3. Section 4.C on Business Opening is amended by the addition of the following: hereby deleted in its entirety and replaced by the following: “A conversion Franchisee must complete the pre-opening requirements set forth herein and commence operation as an Aladdin Doors Business within sixty (60) days from the date of execution of this Agreement.”

4. Section 5.A of the Franchise Agreement on Initial Training is amended by the addition of the following: “The parties acknowledge and agree that Franchisor may provide and Franchisee may be required to attend less than twelve (12) days of initial training based on Franchisee’s prior experience in operating a garage door installation and repair services business.”

5. Section 9.A of the Franchise Agreement on Initial Franchise Fee is deleted in its entirety and is replaced by the following:

- A. Initial Franchise Fee. You agree to pay us an initial franchise fee in the following amount based on the size of the territory to be granted to you: *[Initial and fill in amounts as applicable]*

_____ Ten Thousand Dollars (\$10,000.00) for Territory 3 plus \$.10 for each additional non-multi-unit housing units in the Territory over 300,000 \$ _____; or

_____ Fifteen Thousand Dollars (\$15,000.00) for Territory 5 plus \$.10 for each additional non-multi-unit housing units in the Territory over 500,000 \$ _____.

Upon the execution of this Agreement, you must pay to Company the initial franchise fee in cash in full. In recognition of the expenses we incur in furnishing assistance and services to you and of our lost opportunity to negotiate with others for this Franchise, you agree that the initial franchise fee will be fully earned by us upon execution of this Agreement and will not be refundable, except as specifically provided in this Agreement.

6. Section 9.C of the Franchise Agreement on Royalty Fee is amended in part to add the following: Notwithstanding the provisions of this Section 9.C., during the first year of operation, Franchisee shall pay a Royalty Fee in the amount of five percent (5%) of Franchisee's Gross Revenue. After the first year of operation, Franchisee shall pay the Royalty Fee as otherwise set forth in Section 9.C.

7. Section 11.B of the Franchise Agreement on Grand Opening Marketing is revised in part to change the minimum expenditure to Three Thousand Five Hundred Thousand Dollars (\$3,500.00) for a Territory 3 franchise or Five Thousand Dollars (\$5,000.00) for a Territory 5 franchise.

8. Prior to the commencement of operation of the Aladdin Doors Business, you shall cease using or replace, as designated by us, all vehicles, fixtures, equipment, computer systems, inventory products, signs and other products and supplies which do not conform with the System; are not approved by Franchisor; or which do not meet the standards and specifications prescribed by Franchisor. As of the date of commencement of operation of your Aladdin Doors Business, you shall only offer for sale the services and products authorized by us.

9. As of the date on which you commence operating as an Aladdin Doors Business under the Franchise Agreement, you shall identify and represent your business as an Aladdin Doors Business through the use and display of Franchisor's Marks. For a period of ninety (90) days from the commencement of business as an Aladdin Doors franchisee, you may, with Franchisor's prior written approval, make secondary references to your former business name for the sole purpose of informing the public and former customers of the conversion of your business to an Aladdin Doors Business. As of the end of the aforesaid ninety (90) day period, you shall cease using all references to your prior business name and carry out all of your business activities only under the name Aladdin Doors and Franchisor's Marks.

10. You shall cease any use of the Internet relating to the promotion of your existing business, and shall, as of the date of the execution of the Franchise Agreement, shall comply with Par. 10.M. and our related standards and specifications.

11. Prior to the commencement of operation as an Aladdin Door Franchise, you must purchase and install the required computer system. You shall promptly convert to your

bookkeeping, accounting and recordkeeping system to a system that conforms to our requirements, specifications and formats

12. You acknowledge that notwithstanding the fact that you have operated a business offering or selling services and products similar to those offered by an Aladdin Doors Business under the System, you will be trained in and exposed to Confidential Information of Franchisor, and therefore, you covenant and agree to be bound by the restrictions on the use of Confidential Information set forth in Section 7 of the Franchise Agreement and to be bound by the in-term and post-term covenants not to compete set forth in Paragraph 7.C. and Section 17. of the Franchise Agreement.

13. You acknowledges, warrants and represents to us that:

A. You currently own and operate a garage door installation and repair service business (“Existing Business”) and have owned and operated the Existing Business for at least one (1) year.

B. You are the sole owner and operator of the Existing Business.

C. You do not operate or hold a majority interest in other businesses other than the Existing Business, and you do not operate any businesses offering services and products similar to those offered in the System which have not been converted to the System.

D. The Existing Business does not operate under either a franchise agreement, licensing agreement, or pursuant to any form of commercial arrangement whereby a third party prescribes a particular marketing plan or system upon its business operations. Furthermore, you are not subject to any covenant against competition.

E. No other person, firm, corporation or other entity has any right, title or interest in or to the Existing Business. The Existing Business has not been mortgaged, pledged or assigned and there are no judgments, liens, executions or proceedings pending which may alter, decrease or remove your interest in said business.

F. You acknowledge that the information submitted and the representations made to Franchisor as an inducement for Franchisor to enter into this Agreement are accurate and truthful.

G. You acknowledge that by virtue of the terms and conditions of the Franchise Agreement and this Conversion Addendum the manner and operation of the Aladdin Doors Business must be in strict compliance with our standards and specifications, and you furthermore acknowledge that your ability to directly or indirectly engage in any other business which offers or sells services or products which comprise, or may in the future comprise, a part of the System is expressly limited.

IN WITNESS WHEREOF, this Conversion Addendum to Franchise Agreement has been executed on this ____ day of _____, 20 ____.

FRANCHISOR:
ALADDIN DOORS FRANCHISING, INC.
An Illinois corporation

By: _____
Title: _____

Franchisee

Franchisee

or if Franchisee is an entity:

A _____

By: _____
Its: _____

Exhibit C to Franchise Disclosure Document

FRANCHISEE ACKNOWLEDGEMENT QUESTIONNAIRE

FRANCHISEE ACKNOWLEDGEMENT QUESTIONNAIRE

As you know, Aladdin Doors Franchising, Inc. ("Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of an Aladdin Doors franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you, either orally or in writing, that Aladdin Doors Franchising, Inc. has not authorized and that may be untrue, inaccurate or misleading.

Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and carefully reviewed the Aladdin Doors Franchising, Inc. Franchise Disclosure Document which was provided to you?

Yes____ No_____

2. On what date did you receive the Franchise Disclosure Document? _____

3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No____

4. Before receiving the Franchise Disclosure Document, were you advised by the Franchisor of the formats in which the Franchise Disclosure Document is made available to prospective franchisees and any prerequisites or conditions for obtaining the disclosure document in a particular format?

Yes _____ No _____

5. Have you received and carefully reviewed the Franchise Agreement and each exhibit attached to it?

Yes____ No____

6. Have you received execution copies of the Franchise Agreement that were completed with all of the blanks filled in?

Yes____ No____

If so, on what date did you receive the completed Franchise Agreement?

7. Have you had the opportunity to discuss the benefits and risks of owning and operating an Aladdin Doors franchise with an attorney, accountant and/or other professional advisor?

Yes____ No____

8. Do you understand that the purchase of an Aladdin Doors franchise is a business decision that has many of the same risks associated with starting any type of new business and that the success or failure of your franchise will depend in large part upon your skills and abilities, the time and effort you put into the business, your ability to and willingness to follow the Aladdin Doors System and methods of doing business, competition from other businesses, interest rates, inflation, labor and

supply costs, lease terms and other economic and business factors?

Yes ___ No ___

9. Do you understand and acknowledge that Aladdin Doors Franchising, Inc. cannot guarantee the success of your Aladdin Doors franchise or that it will achieve profitability?

Yes ___ No ___

10. Have you had the opportunity to investigate what federal, state and local laws, regulations and licensing requirements will apply to the operation of an Aladdin Doors franchise in your intended territory?

Yes ___ No ___

11. Have you had the opportunity to investigate what kind of competition for Aladdin Doors business currently exists in your intended territory?

Yes ___ No ___

12. IF YOU HAVE ANSWERED "NO" TO ANY OF QUESTIONS 1 THROUGH 11 ABOVE, PLEASE INDICATE THE NUMBER OF THE QUESTION(S) AND A FURTHER EXPLANATION OF YOUR ANSWER(S) IN THE SPACE PROVIDED BELOW OR ATTACH AN ADDITIONAL SHEET IF NECESSARY. IF YOU HAVE ANSWERED "YES" TO ALL OF QUESTIONS 1 THROUGH 11 ABOVE, PLEASE LEAVE THE FOLLOWING LINES BLANK.

Question No. Explanation

13. Has any officer, employee, broker or other person speaking on behalf of Franchisor made any written or oral statement or promise concerning the actual revenues of an Aladdin Doors business other than any written information which was provided to you in the Franchise Disclosure Document?

Yes ___ No ___

14. Has any officer, employee, broker or other person speaking on behalf of Franchisor made any written or oral statement or promise concerning the gross or net profits from operating of an Aladdin Doors business other than any written information which was provided to you in the Franchise Disclosure Document?

Yes ___ No ___

15. Has any officer, employee, broker or other person speaking on behalf of Franchisor made any

written or oral statement or promise regarding the amount of money you may earn in operating an Aladdin Doors franchise?

Yes ___ No ___

16. Has any officer, employee, broker or other person speaking on behalf of Franchisor made any written or oral statement or promise regarding the costs you may incur in operating an Aladdin Doors franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes ___ No ___

17. Has any officer, employee, broker or other person speaking on behalf of Franchisor made any written or oral statement, promise or purported agreement concerning the advertising, marketing, training, support services or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes ___ No ___

18. Has any officer, employee, broker or other person speaking on behalf of Franchisor made any other written or oral statement, promise or purported agreement relating to the Aladdin Doors franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes ___ No ___

19. IF YOU HAVE ANSWERED "YES" TO ANY OF QUESTIONS 13 THROUGH 18 ABOVE, PLEASE INDICATE THE NUMBER OF THE QUESTION(S) AND A FURTHER EXPLANATION OF YOUR ANSWER(S) IN THE SPACE PROVIDED BELOW OR AN ATTACH ADDITIONAL SHEET IF NECESSARY. IF YOU HAVE ANSWERED "NO" TO ALL OF QUESTIONS 13 THROUGH 18 ABOVE, PLEASE LEAVE THE FOLLOWING LINES BLANK.

Question No. Explanation

You understand that your answers are important to us and that we will rely on them in making a decision to award an Aladdin Doors. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions and that you fully understand and accept the business risks involved in the purchase of a franchise business.

Date: _____

Prospective Franchisee

Print Name: _____

Exhibit D to Franchise Disclosure Document

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

**EXHIBIT D TO THE
FRANCHISE DISCLOSURE DOCUMENT**

[Sample form of agreement for use by franchisees with franchisee's managers and employees who attend Franchisor's training or otherwise have access to Franchisor's Confidential Information.. Franchisee should first consult with local legal counsel regarding use of this form of agreement in Franchisee's state.]

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-Disclosure and Non-Competition Agreement ("Agreement") is entered into by and between _____ ("Franchisee") and _____ ("Employee") on this _____ day of _____, 20____.

WHEREAS, Franchisee has entered into a Franchise Agreement with Aladdin Doors Franchising, Inc., the national franchisor of Aladdin Doors franchise businesses ("the Franchisor"), under which Franchisee has been granted the right to operate an Aladdin Doors business at _____ ("Franchisee's Business Premises"), offering and selling garage door installation services, garage door repair services, garage door opener services, ongoing maintenance programs, garage doors, and related equipment and parts pursuant to a distinctive system ("System") developed by the Franchisor relating to the establishment and operation of businesses operating under the name and mark "Aladdin Doors"; and

WHEREAS, the Franchisor's System includes certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, and knowledge: (1) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development of operation of Aladdin Doors businesses; (2) source of supply, ordering, inventory control and methods of providing the products and services sold by Aladdin Doors businesses; (3) knowledge of sales and performance of Aladdin Doors businesses; (4) knowledge of test programs, concepts or results relating to new services and products; (5) advertising, marketing and promotional programs; (6) construction, layout, equipping and decoration of the business premises; (7) the selection and training of managers and other store personnel for Aladdin Doors businesses; (8) the contents of the Operations Manual, training manuals or other written materials provided by Franchisor to its franchisees; (9) customized and proprietary software for the operation of Aladdin Doors businesses; and (10) customer information and data, all of which is referred to herein as "Confidential Information."

WHEREAS, as a result of Employee's employment relationship with Franchisee, Employee will have access to and may become knowledgeable in the Confidential Information; and

WHEREAS, Franchisee and Employee agree that, in order to protect the Confidential Information and the good will of Franchisee's Aladdin Doors business, Employee must abide by certain restrictions.

NOW, THEREFORE, for and in consideration of Franchisee's employment of Franchisee and disclosure of Confidential Information, the parties hereby agree as follows:

1. Recitals. The recitals set forth above are fully incorporated into the terms of this Agreement as if set forth herein.

2. Confidentiality of Information; Non-Disclosure. Employee acknowledges that the Confidential Information is not generally known to the trade, is of a confidential nature, is an asset of Franchisee and Franchisor, and must be kept strictly confidential and used only by Employee while employed by Franchisee in the conduct of Franchisee's business. Employee agrees that, upon termination of employment for any reason, Employee will not use, disclose, copy or permit the use or disclosure of any of the Confidential Information in any manner. Upon termination, Employee shall return to Franchisee any and all of the written and electronic Confidential Information, in whatever medium, and all copies and reproductions thereof, in Employee's possession or control.

3. Non-Solicitation Covenant. During his/her employment with Franchisee and for a period of one year (1) year following termination of his/her employment with Franchisee, for whatever reason, Employee will not, directly or indirectly:

(a) divert or attempt to divert any current or former customer of Franchisee's Aladdin Doors business to any competitive business;

(b) solicit or sell services or products to any current or former customer of Franchisee's Aladdin Doors business; and

(c) employ or seek to employ any person employed by Franchisee or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment.

4. Non-Competition Covenant. During his/her employment with Franchisee and for a period of one year (1) year following termination of his/her employment with Franchisee, for whatever reason, Employee will not, directly or indirectly have any interest as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any business offering and selling garage door installation and repair services and garage doors and related products which is located within twenty (20) miles of Franchisee's Business Premises.

5. Remedies. Employee acknowledges that the restriction of activities as contained in this Agreement are reasonable and are required for Franchisee's protection as well as the protection of Franchisor. Employee acknowledges that violation of the non-solicitation covenants and the non-competition covenants contained in this Agreement would result in immediate and irreparable injury to Franchisee for which no adequate remedy at law will be available. Accordingly, Employee acknowledges that Franchisee may seek to obtain the entry of an injunction prohibiting any conduct by Employee in violation of the terms of this Agreement. Employee agrees that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through Franchisee's unlawful utilization of the Confidential Information

6. Reduction in Scope; Divisibility. In the event any court shall finally hold that the time or territory of any provision contained in this Agreement constitutes an unreasonable restriction against the Employee, such provision as to time or territory shall not be rendered void but shall apply as to time and territory or to such other extent as such court may judicially determine or indicate constitutes a reasonable restriction under the circumstances involved. If any provision of this Agreement shall be held to be invalid or unenforceable in any respect, any such invalidity or unenforceability shall not affect any other provisions of this Agreement, all of which shall be fully carried out and enforced as if such invalid or unenforceable provision had not been set forth herein.

7. No Waiver; Survival. Any failure or delay in exercising any right or remedy hereunder shall not constitute a waiver of such right or remedy and shall not excuse or release Employee from full performance of his obligations hereunder. The terms and conditions of this Agreement shall survive the termination, for any reason, of Employee's relationship with Franchisee.

8. Attorney's Fees and Costs. In any legal action brought to enforce the terms of this Agreement, the losing party shall be required to reimburse the prevailing party for all attorney's fees and costs incurred by the prevailing party in the enforcement of the terms of this Agreement.

9. Governing Law. This Agreement shall be governed and enforced in accordance with the law of the state in which the Business Premises is located.

10. Franchisor as Beneficiary. The parties acknowledge and agree that the Franchisor is a third party beneficiary of this Agreement and that the restrictions set forth herein are intended to be for the benefit of both Franchisee and Franchisor and that Franchisor is expressly authorized to independently enforce the restrictions herein and to obtain the benefits of this Agreement.

EMPLOYEE CERTIFIES THAT HE/SHE HAS READ THIS AGREEMENT CAREFULLY, AND FULLY UNDERSTANDS AND FREELY ACCEPTS THE OBLIGATIONS THAT IT IMPOSES.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first above written.

EMPLOYEE:

FRANCHISEE:

Print Name: _____

By: _____
Print Name: _____
Title: _____

Address and Telephone number:

Exhibit E to Franchise Disclosure Document

OPERATIONS MANUAL TABLE OF CONTENTS

Aladdin Doors Franchise Operations Manual

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Exhibit F to Franchise Disclosure Document

LIST OF FRANCHISED AND AFFILIATE –OWNED LOCATIONS

Franchisees

None

Affiliate-Owned Locations

Action Doors, Inc. dba Aladdin Doors
2255 Lois Drive, Unit 6
Rolling Meadows, Illinois 60008

Aladdin Doors, Inc.
1730 New Brighton Blvd., #104-190
Minneapolis, Minnesota 55413

Exhibit G to Franchise Disclosure Document

FRANCHISEES WHO HAVE LEFT THE SYSTEM

None

Exhibit H to Franchise Disclosure Document

FINANCIAL STATEMENTS

ALADDIN DOORS FRANCHISING, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2012

ALADDIN DOORS FRANCHISING, INC.

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Reifler Sharps Schuetz Ltd.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholder
Aladdin Doors Franchising, Inc.

We have audited the accompanying balance sheet of Aladdin Doors Franchising, Inc. for the year ended December 31, 2012 and the related statements of operations and changes in Shareholder's equity and cash flows for the year ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aladdin Doors Franchising, Inc. as of December 31, 2012 and the results of its operations, changes in Shareholder's equity and its cash flows for the year ended December 31, 2012 in conformity with the accounting principles generally accepted in the United States of America.

Reifler Sharps Schuetz, Ltd.
REIFLER SHARPS SCHUETZ, LTD.

March 4, 2013

ALADDIN DOORS FRANCHISING, INC.
BALANCE SHEET
DECEMBER 31, 2012

ASSETS

	<u>2012</u>
Current Assets:	
Cash	\$111,185
	\$111,185
Other Assets:	
Organizational and Start-Up Costs	13,794
Accumulated Amortization	(766)
	13,028
Total Assets	\$124,213

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities:	
Accounts Payable	\$ 18,794
	18,794
Shareholder's Equity:	
Common Stock	10,000
Additional Paid-in Capital	101,163
Shareholder's Equity	(5,744)
	105,419
Total Liabilities and Shareholder's Equity	\$124,213

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

ALADDIN DOORS FRANCHISING, INC.
STATEMENTS OF OPERATIONS AND CHANGES IN SHAREHOLDER'S EQUITY
DECEMBER 31, 2012

	<u>2012</u>
Revenue:	
Sales	\$ <u>0</u> 0
Expenses:	
Legal Fees	<u>5,000</u> 5,000
Other Income and (Expense):	
Interest Income	22
Amortization Expense	<u>(766)</u> (744)
Net Income (Loss)	(5,744)
Shareholder's Equity, Beginning of Year	<u>0</u>
Shareholder's Equity, End of Year	<u><u>\$(5,744)</u></u>

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

ALADDIN DOORS FRANCHISING, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2012

	<u>2012</u>
Cash Flows from Operating Activities:	
Net income	\$ (5,744)
Adjustments to Reconcile Net Income:	
Amortization Expense	766
Increase (Decrease) in Accounts Payable	18,794
Cash Flows From Investing Activities:	
Organizational and Start Up Costs	(13,794)
Cash Flows from Financing Activities:	
Additional Paid-in Capital	101,163
Sale of Common Stock	10,000
Net Increase In Cash	111,185
Cash, Beginning of Year	0
Cash, End of Year	<u>\$111,185</u>

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

ALADDIN DOORS FRANCHISING, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

Aladdin Doors Franchising, Inc. ("ADF") was organized as an Illinois corporation on March 15, 2012. The Shareholder was issued 1,000,000 shares of commons stock.

ADF intends to promote and sell franchises to open, operate, promote, arrange and manage garage door services under the name of "Aladdin Doors" to the public.

Method of Accounting:

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents:

For the purpose of the statements of cash flows, ADF considers all highly liquid investments with an original maturity of ninety days or less as cash equivalents.

Revenue Recognition:

Pursuant to the franchise agreement, franchise owners are required to pay ADF royalty fees based upon a percentage of sales. Royalty fees will be accrued based upon a percentage of gross sales, as reported by the franchise owners.

In accordance with Accounting for Franchise Fee Revenue, as codified within FASB ASC subtopic 952-06, Franchisors, Revenue Recognition, nonrefundable initial franchise fees paid by franchise owners are recognized as revenue the earlier of when the franchise commences operations or upon termination of the franchise agreement. Initial franchise fees collected prior to the franchise commencing operations are recorded as deferred initial franchise fees.

Income Taxes:

ADF was organized as a corporation under the provisions of the laws of the state of Illinois and the applicable provisions of the Internal Revenue Code. Income taxes are to be borne by each Shareholder rather than ADF. Accordingly, these financial statements do not include a provision for income taxes.

ALADDIN DOORS FRANCHISING, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Concentration of Credit Risk:

The Company maintains its cash in bank deposit accounts which may exceed federally insured limits from time to time. Management has not experienced any losses in these accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Date of Management Review:

Subsequent events were evaluated through March 4, 2013 which is the date the financial statements were available to be issued.

Exhibit I to Franchise Disclosure Document

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

California

Preston DuFauchard
Corporations Commissioner
320 West Fourth Street
Los Angeles, CA 90013-2344
(866) 275-2677

For service of process:

California Commissioner of Corporations
320 West Fourth Street
Los Angeles, CA 90013-2344

Hawaii

Corinna M. Wong
Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
335 Merchant Street, Room 203
Honolulu, HI 96813
(808)586-2722

For service of process:

Hawaii Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois

Lisa Madigan
Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217)782-4465

For service of process:

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana

O. Wayne Davis
Securities Commissioner
State of Indiana
Securities Division
302 W. Washington Street, Room E-111
Indianapolis, IN 46204
(317)232-6681

For service of process:

Secretary of State
201 State House
Indianapolis, IN 46204

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410)576-6360

For service of process:

Maryland Securities Commissioner
Securities Division
200 St. Paul Place
Baltimore, MD 21202

Michigan

Consumer Protection Division
Franchise Section
Michigan Department of Attorney General
G. Mennen Williams Building, 1st Floor
Lansing, MI 48913
(517)373-7117

For service of process:

Michigan Department of Commerce
Corporations and Securities Bureau
525 W. Ottawa
G. Mennen Williams Building, 1st Floor
Lansing, MI 48913

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101
(612)296-4026

For service of process:

Minnesota Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101

New York

Joseph Punturo
Assistant Attorney General
Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway
New York, NY 10271
(212)416-8200

For service of process:

Secretary of State of the State of New York
41 State Street
Albany, NY 12231

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor, Dept. 414
Bismarck, ND 58505-0510
(701)328-4712

For service of process:

North Dakota Securities Commissioner
600 East Boulevard Avenue
State Capitol – 5th Floor, Dept. 414
Bismarck, ND 58505-0510

Rhode Island

Joanne Sullivan
Principal Securities Examiner
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Bldg. 69-1
Cranston, RI 02920
(401)462-9587

For service of process:

Director of Rhode Island Department of
Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Bldg. 69-1
Cranston, RI 02920

South Dakota

Gail Sheppick
Director
Division of Securities
c/o 445 E. Capitol Ave.
Pierre, SD 57501
(605)773-4823

For service of process:

Director
South Dakota Division of Securities
c/o 445 E. Capitol Ave.
Pierre, SD 57501

Virginia

Ronald W. Thomas
Director, Division of Securities
and Retail Franchising
State Corporation Commission
1300 E. Main Street, 9th Floor
Richmond, VA 23219
(804)371-9051

For service of process:

Clerk of the State
Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

Washington

Deborah Bortner
Administrator
Dept. of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360)902-8760

For service of process:

Director
Washington Dept. of Financial
Institutions, Securities Division
210 11th St. SW
Olympia, WA 98504

Wisconsin

Mary Gabriel
Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, WI 53701-1768
(608)266-8559

For service of process:

Wisconsin Commissioner of Securities
201 W. Washington Avenue
Madison, WI 53703

Exhibit J to Franchise Disclosure Document

STATE ADDENDA

Some administrators of franchise registration states may require us to enter into an addendum to the Disclosure Document and/or the Franchise Agreement describing certain state laws or regulations which may supersede the Disclosure Document or Franchise Agreement. If you are in a registration state which requires an addendum, it will be found in this exhibit.

ALADDIN DOORS FRANCHISING, INC.
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

The Aladdin Doors Franchising, Inc. Franchise Disclosure Document for use in the State of Illinois is modified in accordance with the following:

1. The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by 815 ILCS 705/19 and 705/20 of the Illinois Franchise Disclosure Act.
2. Item 17.v. "Choice of Forum" and w. "Choice of Law" are subject to 815 ILCS 705/4 and 705/41 of the Illinois Franchise Disclosure Act.
3. Any condition, stipulation or provision in the Franchise Agreement or in the Franchisee Disclosure Questionnaire purporting to bind Franchisee to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

**ALADDIN DOORS FRANCHISING, INC.
ADDENDUM TO FRANCHISE AGREEMENT
FOR USE IN STATE OF ILLINOIS**

THIS ADDENDUM to the Franchise Agreement is agreed to this _____ day of _____, 20____, between Aladdin Doors Franchising, Inc., (Company) and _____ (Franchisee) to amend said Franchise Agreement to include the following language:

1. Section 18.F. of the Franchise Agreement on "Governing Law/Consent to Jurisdiction" is amended by adding the following:

This provision is void with respect to any cause of action which otherwise is enforceable in Illinois pursuant to Section 4 of the Illinois Franchise Disclosure Act.

Notwithstanding the foregoing, claims arising under the Illinois Franchise Disclosure Act of 1987 shall be brought in any court in the state of Illinois with subject matter and personal jurisdiction in the particular matter.

2. Section 18.H. of the Franchise Agreement on "Waiver of Jury Trial" is amended by adding the following:

This provision is void with respect to any cause of action arising under the Illinois Franchise Disclosure Act.

3. Section 18.I. of the Franchise Agreement on "Limitations of Claims" is amended to read in its entirety as follows:

This provision shall not apply to any claims under the Illinois Franchise Disclosure Act of 1987.

4. Any condition, stipulation or provision in this Agreement or in the Franchisee Disclosure Questionnaire purporting to bind Franchisee to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF the parties hereto have executed, sealed and delivered this Agreement in counterparts on the day and year first above written.

FRANCHISOR:
ALADDIN DOORS FRANCHISING, INC.
An Illinois corporation

By: _____
Title: _____

Franchisee

Franchisee

or if Franchisee is an entity:

A _____

By: _____

Its: _____

ALADDIN DOORS FRANCHISING, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA

This addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between Aladdin Doors Franchising, Inc. (Company) and _____ (Franchisee) to amend said Agreement as follows:

The Indiana Franchises Law, Title 23, Chapter 2.5, Sections 1 through 51 of the Indiana Code, supersedes any provisions of the Franchise Agreement if such provisions are in conflict with that law.

Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF the parties hereto have executed, sealed and delivered this Agreement in counterparts on the day and year first above written.

FRANCHISOR:
ALADDIN DOORS FRANCHISING, INC.
An Illinois corporation

By: _____
Title: _____

Franchisee

Franchisee

or if Franchisee is an entity:

By: _____
Its: _____

ALADDIN DOORS FRANCHISING, INC.
ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

The Aladdin Doors Franchising, Inc. Master Franchise Disclosure Document for use in the State of Minnesota is modified in accordance with the following:

1. Item 13 of the Disclosure Document on "Trademarks" is amended by the addition of the following language to the original language that appears therein:

"In the event Franchisee's right to the use of any name, mark or commercial symbol licensed hereunder is the subject of any claim, suit or demand (a "threat"), Franchisor shall either defend Franchisee against the threat or indemnify Franchisee from any loss, costs or expenses arising therefrom, provided and on condition, Franchisee:

- A. delivers to Franchisor prompt written notice of the threat;
- B. grants Franchisor written authorization to take unrestricted control over the defense and settlement of the threat with counsel of its choice;
- C. did not cause or give rise to the threat due to a material failure to comply with Franchisor's previously communicated trademark usage requirements;
- D. cooperates promptly and fully with Franchisor in the defense, mitigation, and/or settlement of the threat; and
- E. does not jeopardize or compromise any right, defense, obligation or liability of Franchisor, by making any statement to, or entering into any agreement with, the threatening party which does not have the advance written consent of Franchisor, unless required by applicable law."

2. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

"With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

"The execution of a general release as a condition for renewal or for assignment of the franchise shall be inapplicable to franchises operating in Minnesota."

4. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

"Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring a waiver of a jury trial, or requiring a franchisee to consent to liquidated damages, termination penalties or

judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

5. Item 6 of the Disclosure Document is revised in part to change the Insufficient Funds Fee from \$100 to \$30 for franchisees in Minnesota.
6. Under Minn. Rule 2860.4400J, a franchisee cannot waive any rights, the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief and a franchisee cannot be required to consent to waiver of a jury trial. In addition, a court will determine if a bond is required.

ALADDIN DOORS FRANCHISING, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

This addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between Aladdin Doors Franchising, Inc. (Company or Franchisor) and _____ (Franchisee) to amend said Agreement as follows:

1. Section 3.C and 14.C of the Franchise Agreement are amended by the inclusion of the following:

Under Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release as a condition for renewal or for assignment of the franchise shall be inapplicable to franchises operating in Minnesota.

2. Section 6 of the Franchise Agreement on Mark is amended by the addition of the following:

"In the event Franchisee's right to the use of any name, mark or commercial symbol licensed hereunder is the subject of any claim, suit or demand (a "threat"), Franchisor shall either defend Franchisee against the threat or indemnify Franchisee from any loss, costs or expenses arising therefrom, provided and on condition, Franchisee:

- A. delivers to Franchisor prompt written notice of the threat;
- B. grants Franchisor written authorization to take unrestricted control over the defense and settlement of the threat with counsel of its choice;
- C. did not cause or give rise to the threat due to a material failure to comply with Franchisor's previously communicated trademark usage requirements;
- D. cooperates promptly and fully with Franchisor in the defense, mitigation, and/or settlement of the threat; and
- E. does not jeopardize or compromise any right, defense, obligation or liability of Franchisor, by making any statement to, or entering into any agreement with, the threatening party which does not have the advance written consent of Franchisor, unless required by applicable law."

3. Section 18.H. of the Franchise Agreement is amended by the inclusion of the following:

Under Minn. Rule 2860.4400J, a franchisee cannot waive any rights, the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief and a franchisee cannot be required to consent to waiver of a jury trial. In addition, a court will determine if a bond is required.

4. With respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

5. The Franchise Agreement is amended by the inclusion of the following:

“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

6. The last sentence of the first paragraph of Section 9.G of the Franchise Agreement is revised to read as follows:

If at any time a withdrawal is made and you do not have sufficient funds in the account, you must pay us an insufficient funds fee in the amount of Thirty Dollars (\$30.00).

Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF the parties hereto have executed, sealed and delivered this Agreement in counterparts on the day and year first above written.

FRANCHISOR:
ALADDIN DOORS FRANCHISING, INC.
An Illinois corporation

By: _____
Title: _____

Franchisee

Franchisee

or if Franchisee is an entity:

By: _____
Its: _____

COPY FOR YOU

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZED PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding Agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Alaa (Al) Kireem Abdelaal, 2255 Lois Drive, Unit 6, Rolling Meadows, Illinois 60008, (888)325-2334, Amr Abdelkireem, 2255 Lois Drive, Unit 6, Rolling Meadows, Illinois 60008, (888)325-2334, **and check and complete as applicable:**

- Robert Cavender, 2255 Lois Drive, Unit 6, Rolling Meadows, Illinois 60008, (888)325-2334
- Juan Garcia, 2255 Lois Drive, Unit 6, Rolling Meadows, Illinois 60008, (888)325-2334
- _____

Issuance date: March 7, 2013

See Exhibit I for our registered agents authorized to receive service of process.

I have received the Aladdin Doors Franchise Disclosure Document issued on March 7, 2013. This disclosure document included the following exhibits:

- A. Franchise Agreement (with exhibits)
- B. Conversion Addendum to Franchise Agreement
- C. Franchisee Acknowledgement Questionnaire
- D. Confidentiality and Non-Competition Agreement
- E. Operations Manual Table of Contents
- F. List of Franchisees and Affiliate-Owned Units
- G. Franchisees Who Have Left the System
- H. Financial Statements
- I. List of State Agencies/Agents for Service of Process
- J. State Addenda (if applicable)

Date: _____

Individually or as an officer or partner of

a (_____)corporation

or (_____) partnership

RECEIPT

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Date: _____

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