

Franchise Disclosure Document

Legacy Environmental Solutions, Inc.
A Delaware Corporation
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As a SuperGreen Solutions franchisee, you will operate a business offering sustainability advisory services, energy auditing, sustainability certification, energy efficient products and services, and other related services.

The total investment necessary to begin operation of a SuperGreen Solutions franchise is \$125,850 to \$181,150. This includes \$63,150 to \$64,150 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Caryn Koppenhoefer at 16A Bel Air South Parkway, Bel Air, MD 21015 and (410) 995-7759

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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 31, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E and F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only SuperGreen Solutions business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a SuperGreen Solutions franchisee?	Item 20 or Exhibits E and F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restriction. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different or updated terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out of State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by litigation only in Maryland. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to litigate with us in Maryland than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty and advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure,
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for a good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, MI 48909
Telephone Number: (517) 335-7644

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ATTACHED EXHIBITS:

Exhibit A	Franchise Agreement, State Franchise Agreement Addenda and Schedules
Exhibit B	Financial Statements
Exhibit C	Table of Contents for Operating Manual
Exhibit D	Agents for Service of Process / State Administrators
Exhibit E	List of Current Franchisees
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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language of this Disclosure Document, “we”, “us,” or “our” refers to Legacy Environmental Solutions, Inc. “You” means the person, including any owner, partner or corporation who is looking at our franchise.

About Us. Our name is Legacy Environmental Solutions, Inc. We are a corporation incorporated on November 25, 2020 in the State of Delaware. Our principal place of business is 16A Bel Air South Parkway Bel Air, MD 21015. We do business under our corporate name, SuperGreen Solutions, and SuperGreenSolutions.com. We do not intend to use any other names to conduct business. We do not have a parent entity. Our agents for service of process are listed in Exhibit D to this Disclosure Document. We do not operate a business of the type being franchised. We do not have any other business activities, except that we offer solar and EV products in certain markets where we do not have franchisees, and reserve the right to engage in other business activities. We do not have any affiliates that offer franchises in other lines of business.

We also offer area representative rights to certain individuals and companies, under a separate franchise disclosure document. An Area Representative acts as our representative within a defined geographic area to solicit prospective franchisees and to provide support before, during and after a franchisee begins operations. If your franchise is in an area with an Area Representative, they will assist us in providing certain support functions to you. See Exhibit J for information regarding our Area Representatives.

Our predecessor is Greener Energy LLC. Its principal business address is 2121 Vista Parkway, West Palm Beach, FL 33411. We acquired the assets of the SuperGreen Solutions business from Greener Energy LLC in December 2020.

The Franchise Offered. If you sign a Franchise Agreement with us, you develop and operate SuperGreen Solutions business that provides a long-term, holistic solution to the energy needs and sustainability goals of businesses and commercial and residential property owners by offering sustainability advisory services; energy auditing; sustainability planning; and energy efficient products which both lower energy bills and the carbon footprint of its customers. These products may include solar power, electric vehicle (EV) charging solutions, air purification, efficient water heating systems, window inserts, LED and other efficient lighting, ventilation, weatherization, and insulation, energy management and climate control systems. In addition to selling these products, you can conduct an energy assessment; advise the client on a sustainability program; develop the enhancements plan; coordinate the design, construction and installation of these products at the customer’s location; and promote the client’s status to the market.

Your customers will range from homeowners to large businesses to owners of commercial properties such as apartments and office buildings. However, we anticipate that in the early stage of your business, most of your sales will be of solar power systems to homeowners, and to fulfill those sales you will use a well-known solar panel installation company with whom we have partnered. The market for energy efficient products has grown substantially in recent years as the costs of energy continue increasing coupled with the increase in awareness of the need to protect

the environment by reducing carbon use. Your competitors will include large box retailers that sell and provide installation services for large appliances and building materials and building contractors specializing in remodeling and repair.

We are not aware of any laws or regulations specific to our industry. However, should you wish to do more than coordinate the installation of products for your clients, it may be necessary for you to have a contractor's license in each state in which you install the products. In some states, this requirement can be met by associating your business with a person or entity that has a general contractor's license. Should you wish to become a contractor, you will need to have made the decision to acquire this license or have made arrangements to use a third party's license before you can attend our training program. We recommend you contact the state and/or local government agencies that regulate building contractors in the state(s) in which you will be doing business to learn more about these requirements.

ITEM 2 BUSINESS EXPERIENCE

Michael Epps – Chief Executive Officer. Michael has been serving as the Chief Executive Officer and a member of our Board of Directors since March 2023. Michael joined SuperGreen from Palmetto Solar where he served in various sales roles since 2016, culminating with his most recent role of SVP Direct Sales & Business Development.

Dan Dubell – Director. Dan Dubell has been a member of our Board of Directors in Bel Air, Maryland since our formation in November 2020. He was our Chief Executive Officer from our formation in November 2020 until March 2023. He has also been Managing Partner of Legacy Ventures TBA, LLC since January 2018; Partner in AM Group, LLC since December 2008; Founder and President of International Care, Inc., since March 2001; all in Bel Air, Maryland. He has also been Partner in Legacy Ventures Network, LLC, in Merchantville, New Jersey, since January 2018.

Garry McDowall - Executive Vice President & Chief Operating Officer; Director. Garry McDowall has been our Executive Vice President & Chief Operating Officer in Hutto, Texas, and a member of our Board of Directors, since January 2021. He has also been Chief Executive Officer and Managing Partner of IMR Solutions LLC in Hutto, TX since March 2014. He was also a Director of Avant Ministries in Kansas City, Missouri from July 2015 to December 2020.

Erik Wilson - National Sales Manager. Erik Wilson joined SuperGreen Solutions in November 2021 as National Sales Manager in Charleston, South Carolina. Previously, he was self-employed working in various sales management roles within the solar industry since 2015. His roles have focused primarily on developing and managing his independent sales and lead generation business while at the same time training and leading solar sales teams.

Don Simmons - Director. Don Simmons has been Chair of our Board of Directors in Bel Air, Maryland since December 2020. He has been President of AIFG Consultants Ltd., in Clifton Park, New York since 1994.

Richard H. Weidner - Director, Treasurer. Richard Weidner has been a member of our Board of Directors and our Treasurer in Bel Air, Maryland, since December 2020. He has been President of Weidner Associates LLC in Mechanicsville, NY since 1981.

Stanley Arthur Bockmann - Director, Secretary. Stan Bockmann has been a member of our Board of Directors and our Secretary in Bel Air, Maryland since December 2020. He has also been Director, Secretary and Treasurer of Legacy Ventures Network LLC in Merchantville, New Jersey since December 2017.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

When you sign your franchise agreement, you will pay an initial franchise fee of \$49,500.

If you are an owner of an existing SuperGreen Solutions franchise, you will pay a reduced non-refundable franchise fee of \$29,500 for an additional territory. If you are converting an existing business offering energy efficient products and services to a SuperGreen Solutions franchise you will pay an initial franchise fee of \$29,500, which is nonrefundable and must be paid at the time of signing the Franchise Agreement.

United States military active duty personnel or veterans who have received an honorable discharge, will receive a discount equal to 10% of the standard franchise fee.

In addition to the initial franchise fee, you must purchase an equipment package from us. The cost of the equipment package is currently \$7,900, but we estimate it may range as high as \$8,900. The equipment package contains all of the equipment and supplies, except for a few items, to begin operations. The equipment package purchase price is nonrefundable and due at the time of signing of the Franchise Agreement.

If you have more than one person attend our in-person training program (in which our representative travels to your territory or you travel to a SuperGreen training location), you will pay an additional fee of \$300 per person attending with you, prior to attending.

When you sign your Franchise Agreement, you will also pay an Advertising Fund Initial Fee of \$750.

Unless otherwise stated, all initial fees are non-refundable. All of the fees listed above are uniformly applied to franchisees.

ITEM 6 OTHER FEES

Name of fee	Amount	Due Date	Remarks
Royalty ¹	<p>A monthly royalty fee equal to the greater of:</p> <p>(1) 5% of gross sales of residential solar, 2% of commercial solar projects and 5% of all other gross sales; or</p> <p>(2) (a) \$400 per month for the first 12 months of operation; (b) \$600 per month for the next 12 months; and (c) thereafter, \$800 per month.</p>	<p>Payable monthly. Fee will be withdrawn from your bank account on the 4th through the 7th day of the month.</p> <p>However, we will withdraw our royalty for each solar power system that you sell from the amount paid by the installer, and then remit the balance to you.</p>	<p>Gross sales include all revenue from the franchise location. Gross sales do not include sales tax or freight charges.</p> <p>If we do not receive the monthly minimum as a result of deducting percentage fees from amount paid by solar power systems installer, then we will withdraw the balance owed from your bank account on the date stated.</p>
Marketing Fee ²	The greater of 1% of gross sales for the month or \$350 per month.	Payable monthly. Fee will be withdrawn from your bank account on the 4 th through the 7 th day of the month.	Same terms apply as to royalties, with regard to solar power systems that you sell.
Transfer Fee	The greater of \$29,500 or then-current transfer fee.	Prior to consummation of transfer.	Payable by the seller from the proceeds of the sale of the franchise.
Technology Fee ³	\$550 per month or then-current fee.	Payable monthly	The technology fee begins when you open for business.
Online Sales Training Program Fee	\$30 per month per person	Payable monthly	Payable to us. This fee begins in your first month of operation for each member of your sales team.

Name of fee	Amount	Due Date	Remarks
Employee Training Fee ⁴	\$300 or then current fee per person attending	Payable prior to start of training program	Payable to us
Late Fees & Interest Charges	\$100 per late sales report; 18% of any amount past due or the maximum rate allowed by law, whichever is less, plus \$10 per day from day payment is due until payment is made	As incurred	Payable to us
Additional Assistance	Agreed to amount based on estimated costs of travel and assistance needed	Payable prior to assistance	Payable to us, if you request additional assistance and we send a field operations / marketing representative to your location.
Renewal Fee	\$1,500	30 days before renewal.	To cover costs of closing and processing paperwork
Financial Review ⁵	Cost of financial review plus interest on underpayment	Payable at the time of financial review	Payable only if a financial review shows an understatement of at least 2% on any one-month's reports
Indemnity	Our losses resulting from any breach of the Franchise Agreement on your part, the negligence of any party (other than us), or arising directly or indirectly out of the management or operation of your business, or in connection with your sale, transfer or assignment of the business	On demand	You must indemnify us against all these losses

Name of fee	Amount	Due Date	Remarks
Liquidated Damages	3 years' worth of Royalty fees, or \$25,000, whichever is more	30 days after termination of the franchise due to your default	If we terminate the franchise due to your default, then you must pay us an amount that equals the average amount of royalties you were obligated to pay us over the prior 12 months (or such shorter period in which you operated the Business), multiplied by the number 36. The minimum payment is \$25,000, regardless if the calculation described above is lower. This remedy is in addition to our rights to require compliance with the post-termination covenant not to compete and other post-termination covenants.
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any arbitration or litigation, the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

Unless indicated otherwise, the fees or payments listed above are nonrefundable. All of the fees listed above are uniformly applied to franchisees.

¹ Our Franchise Agreement requires you to pay to us a continuing royalty as described in the table above payable monthly, except as specified in the table and described below. You are prohibited from offsetting or deducting this required royalty payment in any form or fashion. Payment of royalties shall be done electronically by such methods as we may direct from time to time. We may charge you interest and/or late fees if we do not receive the royalties and other amounts due to us in a timely manner. Gross Sales is defined in the Franchise Agreement as the entire amount of all your revenue arising out of the ownership or operation of your SuperGreen Solutions business, including without limitation, revenues derived from or relating

to all sales and fees charged for products or services (including installation services) rendered through, or from orders placed through or completed for delivery through or from the SuperGreen Solutions business. With regard to solar power systems that you will sell, our installation partner provides financing to the homeowners and pays us the entire price for the system, less the costs to fulfill the project (e.g., for the equipment, installation fees, and permits). We receive the payment on your behalf, deduct our percentage royalty and marketing fee (as described below) from the amount paid by the installation partner, and remit the balance to you. In any month during which we do not receive the mandatory minimum royalty as a result of solar power systems that you have sold, we will bill you for the balance of the minimum owed.

² This Marketing Fee will be paid to the SuperGreen Solutions Advertising Fund controlled by us. This fee will be used for national advertising, Internet advertising and web hosting and development and search engine optimization. See Item 11 for more information regarding this advertising fund. In addition, you will conduct your own local marketing as described in Item 11.

³ You receive your initial license for the Business Management Applications, a website and email address(es) as part of an equipment package you purchase from us. We may change the specifications for the Business Management Applications and other technology systems during the term of the franchise. In the future, we may identify a new Business Management System/EPOS vendor, and if we do, you may be required to purchase a license to use this system from us or the vendor of the system and pay periodic fees to us or the vendor for the hosting and maintenance of the system. The fee includes license fees, and hosting and maintenance of your branded website, domain, email addresses, and the referral application which you will use. Fees are subject to change during the term of the franchise.

⁴ You may send your manager and other employees to our training programs which are held either in person or through our virtual platform. Prior to attending our training programs in person or on our virtual platform, the attendee must complete all assigned online courses. You will pay \$300 or the then current training fee for each attendee.

⁵ You give us the right at all times to examine any electronic point of sale or business management applications (“EPOS”), accounting software, financial books, bank accounts, bank statements, tax returns and records relating to the SuperGreen Solutions business together with the right to make copies. You must provide us with EPOS and/or accounting software reports and data, copies of your financial books, bank statements, tax returns and other records if we request. You must provide us with the username and password for access to the EPOS and accounting software. This right to conduct a financial review shall also apply to any other business operated from your SuperGreen Solutions business premises that is owned or controlled by you or a member of your family. You are not permitted to combine or commingle your SuperGreen Solutions business operations with that of any other business. You are not permitted to use the bank account, EPOS or accounting software designated for your SuperGreen Solutions business to process transactions or sales, make deposits or pay expenses for another business. You must keep the financial books and records of your SuperGreen Solutions business separate and apart from your personal financial books and records and from

the books and records of any other business you own or operate. You must not file consolidated tax returns for the SuperGreen Solutions business which consolidate the income and deductions of the SuperGreen Solutions business with those of another business. This financial review will be at our sole expense; provided, however, you will pay the reasonable cost of any financial review plus interest at the lesser of 18% or the highest rate allowed by law from the date royalties were due where this financial review discloses that you have paid less than 98% of your royalties in any one month. You will be required to maintain original copies of all of your financial records for a period of 6 years. You will be required to provide us monthly profit and loss statements and/or sales reports, as we may direct. You must also send to us financial reports annually in the form that we request (balance sheet, profit and loss statement, etc.). You must also provide us with copies of your tax returns on an annual basis. Financial statements and reports for the SuperGreen Solutions business must not be consolidated with any other business. If you consolidate, combine or commingle any of the financial books and records, tax returns or financial reports for the SuperGreen Solutions business with those of another business or use your EPOS, accounting software or bank account designated for the SuperGreen Solutions business in the operation of another business, our right to conduct a financial review or financial review will be extended to the complete financial records, tax returns, books and bank accounts of the other business.

If your franchise is located in a jurisdiction where the franchise fee, royalty or any other fees paid by you to us are subject to a tax, then you will be required to pay those taxes.

You must file all local, state and federal financial reports and returns that may be required by law relative to operating your SuperGreen Solutions business. We have the right to request copies of all of these reports or returns.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee	\$49,500 - \$49,500	Lump Sum	At signing of Franchise Agreement	Us
Initial Advertising Fund Fee	\$750 - \$750	Lump sum	At signing of Franchise Agreement	Us
Equipment Package ¹	\$7,900 - \$8,900	Lump sum	At signing of Franchise Agreement	Us
Insurance ²	\$500 - \$1,700	As arranged	As incurred	Suppliers
Licenses ³	\$500 - \$1,500	As arranged	As incurred	Licensing agencies
Opening Supplies	\$500 - \$1,000	As arranged	As incurred	Suppliers

Office Space ⁴	\$1,200 - \$2,800	As arranged	As incurred	Landlord
Additional Funds (3 – 12 mos.) ⁵	\$65,000 - \$115,000	As incurred	As incurred	Employees and sales representatives, suppliers and other third party vendors, third party lead generation vendors and us
Totals	\$125,850 - \$181,150			

Except where noted otherwise, all amounts that you pay to us are nonrefundable. Third party suppliers will decide if payments to them are refundable. Neither we nor any of our affiliates offer financing for any of your initial investment.

Notes:

1. The equipment package contains the equipment, supplies, demonstration products, and other items needed to establish a SuperGreen Solutions business, and includes business management software, tablet computer, a collection of printed materials and handouts, your initial month of QuickBooks accounting software, promotional items, an \$500 credit to purchase embroidered SuperGreen Solutions apparel, website setup, local presence setup on portals and directories, social media set up, a press release, access to our communication portal and an EV charging station demonstration unit. These items are specifically listed in Schedule A to the Franchise Agreement.

2. You are obligated under the Franchise Agreement to hold certain business insurance policies including comprehensive general liability policy, a policy covering “all risk” of physical loss and additional policies as may be required under your local laws or ordinances. The amount listed in this table reflects our estimate of basic insurance for your first six months of operation. Your expenses will vary depending on local insurance rates.

3. If you do not have a general contractor’s license, prior to commencing business, and wish to install permitted and licensed products as part of your work, you may either need to obtain one or make arrangements to work as permitted by state and local laws with a person or entity who has a license. You must also register your business with the local city or county along with a fictitious name and comply with other requirements of your local or state government. Each of these entities may charge a fee for your registration and/or certain taxes.

4. You will need to operate the Business from a professional office space. The costs to acquire an office space will require the payment of the first month’s rental payment which we estimate as \$1,200 to \$2,800 per month (depending on your local market). As you expand your business activity you will need a larger facility for business operations and eventually will want an attached warehouse.

5. You will need capital to support your ongoing expenses to the extent that these costs are not covered by sales revenue when you first open. This figure does not include sums necessary for living or personal expenses nor payments for your debt service. We estimate the amount given will be sufficient to cover on-going expenses for the start-up phase of your business that we calculate to be 3 to 12 months. Our estimate of the capital you will need to support your ongoing expenses during your start-up phase is based on the experience of our franchisees. Your costs will depend on factors such as how well you follow our systems and procedures, your management skills and experience, your business skills, local economic conditions, the prevailing wage rate, the local market for the SuperGreen Solutions business, competition and sales levels reached during the start-up phase.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services in all SuperGreen Solutions businesses, you must maintain and comply with our quality standards.

You also must purchase and use equipment (which includes hardware and software for the computer system), products, supplies, and marketing and sales promotion materials that meet our specifications and/or standards. The standards and specifications imposed on franchisees are formulated and modified based on our experience and industry standards for quality and efficiency. The standards and specifications are issued to franchisees through the Operating Manual and by periodic informational updates. The Franchise Agreement requires you to sell or use only those products and services that we have approved in writing. The purpose of this requirement is to ensure that all franchisees adhere to the uniformity requirements and quality standards associated with SuperGreen Solutions businesses.

You must buy an equipment package from us. The equipment package contains equipment, supplies, demonstration products, and other items you will need to begin operations, including the computer hardware and software described in Item 11. The equipment package is further described in the Schedule A attached to the Franchise Agreement, and includes business management software, tablet computer, a collection of printed material and handouts, your initial month of QuickBooks accounting software, promotional items, an \$500 credit to purchase embroidered SuperGreen Solutions apparel, website setup, local presence setup on portals and directories, social media set up, a press release, access to our communication portal, and an EV charging station demonstration unit. You are also required to pay us a monthly technology fee for business management software, website hosting and maintenance, social media and administrative platforms, and email accounts. We are the only approved supplier of the equipment package, website hosting and maintenance and email accounts. We are also the only approved supplier of apparel and promotional products containing our trademarks that use in the business, unless we specifically approve an alternative supplier for promotional products that we do not offer.

We will derive revenue from the required purchases and leases by franchisees - specifically, from your purchase of the equipment package. Our total revenue in the prior fiscal year was \$1,737,128. Our revenue from all required purchases and services by franchisees in the prior fiscal year was

\$61,829. The percentage of our total revenues that were from required purchases or leases in the prior fiscal year was 3.56%.

All solar power systems that you sell to homeowners must be delivered and installed by a third-party installation company with whom we have partnered, and which also provides financing to the homeowner who is purchasing the system.

We currently require that products and services in the following categories be purchased from suppliers approved by us: bookkeeping system, customer relationship management system, solar panels, inverters, solar wiring, solar roofing materials, solar glass, solar hot water heaters, skylights, ventilation systems, insulation, weatherization, energy management systems, LED lighting, various batteries, air purification and sanitization systems and supplies and electric vehicle charge points.

We have an approved supplier that provides advisory services to companies who are planning capital improvements. These services include analysis of financial, tax, and technological aspects of a capital improvement project. At your option your customers may obtain these services from our approved supplier.

Should your clients ask you for recommendations for marketing and advertising agencies to market their status as a sustainable business, these recommendations must be approved by us. You are required to use vendors for payroll services, credit card processing and merchant services. We have approved suppliers for these services and for insurance. You may obtain these services and items from our approved suppliers or other suppliers you choose. We reserve the right to add or delete categories of products and supplies which must be purchased from approved suppliers. We locate our approved suppliers through personal contact, franchisee referral, attendance at industry trade shows as well as other various means. We provide you with a list of the names, addresses, and phone numbers of local and national vendors approved for your use when you open your business. Furthermore, in an effort to provide you additional benefits, we do interview, select, and negotiate prices, shipping and other terms with approved suppliers. For your convenience, we maintain an active list of all approved vendors, specials they offer for our franchisees, as well as updating addresses and phone numbers. We reserve the right to ensure all supplies purchased from a third-party vendor meet our quality specification and guidelines. We do not currently provide written specifications, standards or criteria for approving alternative suppliers to franchisees.

Our criteria for approving an alternate supplier can include evaluations of the supplier's capacity, quality, financial stability, reputation and reliability; inspections; product testing and performance reviews. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Operating Manual.

We reserve the right to receive payments from approved suppliers in connection with franchisee purchases, but we currently do not do so. Approved suppliers may also sponsor events and/or rent

booths at our national or regional meetings, training meetings and may advertise in publications issued by us. Except as disclosed above, we derive no revenue or other material benefit from approved suppliers that provide products or services to our franchisees.

Except as described above, we do not require you to purchase your on-going supplies for the operation of your business through us or from our approved suppliers, although you may purchase certain marketing items from us.

None of our officers owns an interest in any supplier to our franchisees, except as disclosed above.

We estimate that your purchase of equipment, products, supplies, and marketing materials from us or that meet our specifications and standards will represent approximately 20% to 30% or more of the cost to establish the franchise business and from approximately 15% to 25% of the cost to operate the franchise business on an ongoing basis.

The Franchise Agreement requires that you purchase and maintain liability insurance in an aggregate amount that we designate periodically. Currently, the Franchise Agreement requires that you purchase the following coverages:

- (i) comprehensive general liability policy with minimum combined single limit covering bodily injury and property damage with respect to products and completed operations of \$1,000,000;
- (ii) owned auto insurance with a minimum combined single limit covering bodily injury and property damage of \$1,000,000; and
- (iii) all insurance required by applicable law, including workers' compensation and disability (limits may vary according geographical location). If the applicable laws in your state do not require the owners of a business to be covered by workers' compensation insurance, you shall elect coverage for yourself.

You also must purchase and maintain any other insurance required by any agreement related to the franchise business or law. You must furnish to us copies of all insurance policies. You may use only marketing and promotional materials that we have approved. (See Items 6 and 11 for more information on marketing).

There are no purchasing or distribution cooperatives in the franchise system that offer to you certain products used in the franchise business.

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

	OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a.	Site selection and acquisition/lease	None	Items 7 and 11
b.	Pre-opening purchase/leases	Section 6	Items 5, 7 and 8
c.	Site development and other pre-opening requirements	Sections 3 and 6	Items 5, 7 and 11
d.	Initial and ongoing training	Sections 6.C, 7 and 8	Items 7 and 11
e.	Opening	Section 6	Item 11
f.	Fees	Section 10	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Sections 6, 11, 12, 20 and 26.H	Item 11
h.	Trademarks and proprietary information	Sections 6.E, 6.F, 6.G, 6.H, 6.M, 6.W, 6.Z and 14	Items 13 and 14
i.	Restrictions on products/services offered	Sections 6.M and 6.Y	Item 16
j.	Warranty and customer service requirements	Sections 6 and 21	Item 11
k.	Territorial development and sales quotas	None	Item 12
l.	Ongoing product/service purchases	Sections 6.B, 6.N, 6.Y and 11.A	Item 8
m.	Maintenance, appearance and remodeling requirements	Sections 2.C, 6.I, 6.N, 6.X and 15.C	Item 11

	OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
n.	Insurance	Section 13	Item 8
o.	Advertising	Section 12	Item 11
p.	Indemnification	Section 6.V	Item 6
q.	Owner's participation/ management/staffing	Sections 6.D, 6.E, 6.L, 6.O, 6.P, 6.U and 6.T	Items 11 and 15
r.	Records and reports	Sections 10.H and 11	Item 6
s.	Inspection and audits	Section 11	Items 6 and 11
t.	Transfer	Section 15	Item 17
u.	Renewal	Sections 2.B, 2.C, 2.D and 2.E	Item 17
v.	Post-termination obligations	Section 17	Item 17
w.	Non-competition covenants	Sections 6.S and 17.E	Item 17
x.	Dispute resolution	Sections 23, 24, 25 and 26	Item 17
y.	Other	Not applicable	Not applicable

ITEM 10 FINANCING

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

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

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

OUR PRE-OPENING OBLIGATIONS

Prior to opening your franchise to the public, we are required under the Franchise Agreement to provide the following assistance and service to you:

1. We will provide you with access to approximately 24 hours of online training courses. We will provide training for your employees at your expense. You will incur expenses for each of your employees who attend our virtual and in-person training program and a training fee of \$300 per employee will be paid by you. (See the Franchise Agreement Sections 4 and 7).
2. We will advise you with regard to establishing the Business including assistance with establishing a marketing program (See the Franchise Agreement Section 4.A). We send qualified field operation/training and sales development representative(s) to your location for a minimum 30 hours during this period. (See the Franchise Agreement Section 4.C). Our representative will help you with additional training, guidance on beginning your business and other means of assistance.
3. All of your equipment will come from us. (See the Franchise Agreement Sections 4.B and 6). We deliver your opening package to you one to two weeks prior to your scheduled opening date and upon its arrival assist you in setting it up. Your website, social media platforms, and administrative operating systems are included with your equipment package and will be installed and activated by us.
4. We help you to locate local and national vendors, suppliers and contractors for the ongoing work of your SuperGreen Solutions business. (See the Franchise Agreement Section 4.D).
5. We provide you with your initial month QuickBooks and a format for your invoices. This is the mandatory bookkeeping system for your SuperGreen franchise (See the Franchise Agreement Section 4.J).
6. We provide you with a detailed operating manual together with other relevant manuals and written and digital material which will aid you in the operation of your SuperGreen Solutions business. (See the Franchise Agreement Sections 4.F and 4.G).
7. We provide you with an initial supply of printed materials and handouts and a press release sample for your use. (See the Franchise Agreement Section 4.H).

OUR CONTINUING OBLIGATIONS

During the ongoing operation of your SuperGreen Solutions business, we are required by our Franchise Agreement to provide the following assistance and services to you.

1. We are constantly researching and developing ideas that we believe will improve our system. As we do so, we will provide you with details. In addition, we will periodically update your operating manual to reflect these alterations and/or improvements. (See the Franchise Agreement Section 5.A).
2. We will visit with you in person, or via virtual methods such as Google Meet[®], FaceTime[®], or Zoom[®], at least twelve times per year in order to ascertain the progress of your SuperGreen Solutions business and to assist you. Furthermore, you may at any time request that we send out a field operation/training or sales development representative to

aid you in your business. If we have a representative available at the time of your request, we will send them at an agreed to cost. (See the Franchise Agreement Section 5.B).

3. As of the date of this Disclosure Document, we plan to provide one national meeting every two to three years. Your attendance is mandatory. We will invite vendors, suppliers and outside contractors to these meetings in order to make you aware of technological advancements and to potentially save you money on your ongoing supplies. In addition, we will conduct virtual seminars on many topics relating to your ongoing training and improved operation of your SuperGreen Solutions business. Furthermore, we update you on the progress of our brand and the SuperGreen Solutions franchise system as a whole. All of these meetings occur from time to time at our discretion. We invite and encourage all of our franchisees to attend each of these meetings and seminars; but attendance is not mandatory except for the national convention. (See the Franchise Agreement Section 5.C).
4. We will send you a copy of our corporate newsletter in electronic format from time to time. The corporate newsletter contains useful and pertinent information relating to the ongoing operation of your SuperGreen Solutions business and may have money-saving specials provided to you by outside vendors. (See the Franchise Agreement Section 5.D).
5. From time to time we will advise you on sales and service methods, marketing development and techniques, and business and operating procedures. (See the Franchise Agreement Section 5.E).
6. We will use reasonable efforts to offer advice and technical assistance and support for all your SuperGreen Solutions equipment, hardware and software by telephone, videocall, or electronic communication (See the Franchise Agreement Section 5.F).

ADVERTISING

At the time of signing the Franchise Agreement, you pay an initial fee of \$750 to a marketing fund (the "Fund"). You are also required to pay a monthly marketing fee to the Fund, equal to the greater of 1% of monthly revenue per month or \$350 per month. This fee will be paid by such electronic billing method as we may designate from time to time. If we were to open any company-owned businesses, such businesses would pay the same marketing fee as a new franchisee at that time. The Fund uses the marketing fees paid by franchisees for marketing and related purposes and costs. We will formulate, develop and conduct marketing and promotion programs in a form and media we determine in our sole discretion to be appropriate. We reserve the right to use marketing fees to reimburse us for all costs that we incur related to the marketing and promotion programs, including the proportionate compensation of employees who devote time and render service in the conduct, formulation, development and production of the marketing and promotion programs or the administration of the marketing and promotional programs. There is no obligation to spend any amount in your Designated Territory. No money from the Fund is spent principally to solicit new franchise sales.

We will formulate, develop and conduct the marketing and promotion programs in-house. We also reserve the right, however, to use a national or regional advertising agency for the marketing and promotion programs. We may at our discretion appoint franchisees to a Franchisee Advisory

Council (“FAC”) to serve in an advisory capacity only on marketing and promotion programs. We have the power to form, change or dissolve the FAC. We also believe in and encourage you to participate in cooperative advertising where available. Although we do not currently do so, we also reserve the right to require regional marketing cooperatives to be formed, changed, dissolved or merged.

During calendar year 2022, expenditures by the Fund by category on a percentage basis were as follows: SEO –25%, social media –35%, graphics/emails –25%, PCA (Pay-Per-Click Ads) –10%, and administrative costs –5%. If marketing fees are not spent in any fiscal year, the excess will be carried over for future use. We will account for the marketing fees separately, but we will not hold them in trust or in an escrow account. The marketing fees are our property and you have no property rights of any kind with respect to the monies. We do not have any fiduciary obligations to you or other franchisees regarding the marketing fees. A copy of the annual unaudited financial statement showing receipts and disbursements of the marketing fees is supplied to franchisees upon request.

You will be responsible for all of your own direct marketing and local advertising of the business. Each year you must expend a minimum of \$20,000 or 5% of all of your gross sales (whichever is greater) on direct marketing or local advertising (including public relations), but we may not require you to spend in excess of \$75,000 in any year on such local marketing. (We may increase the minimum and maximum required amounts in the future to reflect inflation.) For the purposes of this paragraph, the term “direct marketing or local marketing” shall mean all marketing and public relations costs, advertising and promotions effected through the medium of the internet, mobile marketing, email and other digital communications media, local radio or television broadcasts, newspapers, periodicals, telephone, billboard advertising and public relations. Upon our request, you must submit to us an accounting of the monies you have spent, together with copies/proof of all marketing. You must present all marketing plans to us for approval at least 20 days prior to run. We will not unreasonably withhold approval of any marketing materials that you propose to use, if your materials are factually accurate and current, conform to the highest standards of ethical marketing and all applicable laws and regulations, and are in good condition and accurately depict the SuperGreen Solutions Marks.

COMPUTER HARDWARE AND SOFTWARE SYSTEMS

You must install computer systems meeting our standards, as modified from time to time in response to business, operations and marketing condition. The computer hardware and software system described below is included in the equipment package we provide to you, unless noted.

Hardware

1 Tablet
1 Keyboard with case

Software

QuickBooks Online Plus (one month)
Google Workspace

CRM (customized)
Solar Proposal Software
Social Media Calendar Program
Dialpad (telephone number)

The computer hardware and software will be used to communicate with us, your clients and prospective clients, vendors, business data regarding clients and vendors and maintain the inventory and accounting records for your Business. The cost of this hardware and software is \$1,373 which is included in the cost of the Schedule A equipment package price. In addition to the computer tablet and hardware software listed above, you will need: Internet access and a cell phone.

We will have independent access to the electronic point of sale, accounting software and business management application and the information that is electronically collected in the system. There are no contractual limits imposed on our access to your computer system, except that our access is only for the purpose of obtaining information relating to your franchise business.

We may change our specifications for your computer system from time to time and you may have to replace, modify or upgrade your computer system and hardware and software from time to time. There is no limitation on the cost of any required replacement, modification or upgrade. You will pay a monthly fee of \$550 or the then-current fee to us. These fees are for business management software, hosting and maintenance of your branded website, domain and email addresses, use of our referral application, and other services we determine. Your monthly fee payment obligations start when your Business opens. Your subscription to QuickBooks (after the first month) is not included in the technology fee; QuickBooks is currently \$50 to \$80 per month. We have no contractual obligation to provide maintenance, repairs, updates and upgrades to your computer system and hardware and software. You are responsible for all maintenance, repairs, updates, upgrades, modifications to and replacements of your computer system and hardware. There is no requirement to pay for any support contracts.

We require that during the term of the Franchise Agreement you use and maintain the Internet web page supplied as part of the equipment package described in Schedule A to the Franchise Agreement. We retain the right to control the content of this web page. You cannot use any other web page in connection with the operation of your SuperGreen Solutions business without our consent.

SITE SELECTION

We do not assist in the selection of nor approve the location for your SuperGreen Solutions business; however, the site must be within your Designated Territory. We do not approve a specific area within your Designated Territory in which you select a location for your SuperGreen Solutions business. You will establish your SuperGreen Solutions business in a professional office space (i.e. not a home office) that is located and has a mailing and shipping address within your Designated Territory. As your business activity increases you may need a larger facility for your business operations and may need to lease an office with an attached warehouse. The Franchise Agreement does not have any provision that addresses termination if you do not select a site within

a prescribed period, however, your Franchise Agreement may be terminated if you have not commenced business within 90 days from the date of your Franchise Agreement.

A SuperGreen Solutions franchisee is required to select their office location prior to our representative conducting your onsite training program. The typical length of time from the signing of the Franchise Agreement to the commencement of your Business is 30-60 days. Factors that may affect these time periods include how quickly you are able to complete our training programs, obtain an office, procure and install equipment and computers, make any necessary financial arrangements, and obtain any required licenses to conduct the SuperGreen Solutions business.

TRAINING PROGRAM

The first phase of your initial training program is approximately 24 hours of online training to which we provide you access. You complete must your online training at least one week before we conducted your onsite training.

We conduct the second phase of your initial training program and opening support at our or your office location. This portion program consists of approximately 30 - 40 hours. You will open your business during this second phase.

Hours of our online training program and in person/on location training may vary depending on minor modifications we make from time to time in the subjects taught and the time devoted to each subject, or if we substitute instructors or courses.

Our training program is offered throughout the year on an as-needed basis. We plan to hold training at least every other month.

An additional trainee may attend the training program with you. He or she must also complete the online training courses if they choose to attend. There will be a training fee of \$300 or the then current fee per additional trainee attending.

Although it is not required, you may request a refresher-training program for you or your representative to be trained at any time in the future. You will pay a training fee of \$300 or the then current fee.

Erik Wilson is our National Sales Manager and primary training instructor. Erik has spent almost a decade working with organizations to improve and increase their sustainable track record. He has focused his specific attention on training and building solar sales teams in various markets throughout the United States. He has 8 years of experience in our industry, and one year of experience with us.

OUR TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Business Management	2	2 – 3	2 hours virtual; 2-3 hours on location
Sustainable Business Operations	2	1 - 2	2 hours virtual; 1-2 hours on location
Administrative Set Up	3	1 - 2	3 hours virtual; 1-2 hours at your location
Products Overview	2	2	2 hours virtual; 2 hours at your location
Sales and Marketing Strategies	15	24 - 31	15 hours virtual; 24-31 hours at your location
TOTALS:	24	30 - 40	

The instructional materials used in our training program include videos, webinars, PowerPoint presentations, success guides, books, sample kits, our Operating Manual and handouts.

OPERATING MANUAL

A copy of the table of contents of our Operating Manual is attached to this Disclosure Document as Exhibit C. The Operating Manual contains approximately 238 pages.

ITEM 12 TERRITORY

You are granted the right to operate a SuperGreen Solutions business within a Designated Territory. Your Designated Territory will be a geographic area including the premises of your SuperGreen Solutions business. The area may consist of a specific mile radius or other area defined by city limits, highways or streets, zip codes, or other similar factors as we may determine. The Designated Territory will contain a minimum of 12,000 registered businesses. The size of your Designated Territory will vary depending on the population and business counts.

We grant you an exclusive territory. During the term of your Franchise Agreement, we will not establish either a company or affiliate owned “SuperGreen Solutions” business, or another “SuperGreen Solutions” franchise within your Designated Territory. We will not modify your Designated Territory without your written permission, provided that you are in complete compliance with the terms and conditions of your Franchise Agreement. The continuation of your franchise is dependent upon the active penetration of your Designated Territory through active sales and marketing efforts by you and your team. You may only operate your Business from within your Designated Territory. You cannot actively market to customers located outside your Designated Territory. You have the right to use other channels of distribution, such as the Internet, catalogue sales, telemarketing or other direct marketing to solicit and make sales outside your Designated Territory; however, these other channels of distribution or other direct marketing cannot be used to directly solicit and make sales in the designated territory of another SuperGreen Solutions franchisee.

You cannot use Internet tools such as search engine optimization to promote your Business to customers in the designated territory of another SuperGreen Solutions franchisee.

We reserve the right and may use other channels of distribution such as the Internet, catalogues, telemarketing and other direct marketing to promote the services offered by SuperGreen Solutions using the SuperGreen Solutions Marks or any other trademarks through the Internet, telemarketing and direct marketing but cannot conduct such activities using any other trademarks. Any potential customers received through such promotional efforts will be forwarded to the franchisee in the designated territory in which the potential customer's residence or business is located. No compensation will be paid to franchisees as the franchisor will not realize revenues from these promotional activities and the referrals resulting from our promotional activities will be forwarded to our franchisees. Except for these activities, we will not be soliciting or accepting orders from persons or businesses located in your Designated Territory.

Although we do not do any of the following as of the date of this Disclosure Document, we reserve the right in your Designated Territory to establish: (i) franchises or company-owned businesses other than a business offering energy efficient products and services under any trademarks or trade names; (ii) similar franchised or company-owned businesses offering energy efficient products and services under any trademark or trade name other than the SuperGreen Solutions name (or any similar trademarks or service marks) but only if these businesses are acquired as part of a merger or acquisition with another local, regional or national chain or system. We also reserve the right to develop and operate and to franchise or license others to develop and operate the SuperGreen Solutions business at any location outside your Designated Territory.


You may relocate your SuperGreen Solutions business under the following conditions (1) prior to relocation, you submit your request in writing to us and obtain written approval of your relocation from us, and (2) you must not be in default of the terms of your Franchise Agreement.

You have no options, right of first refusal or similar rights to acquire an additional franchise within any particular territory, although you may ask us at any time to purchase additional franchises. Typically, we will base our decision on whether or not you may purchase additional franchises on based on your compliance with your Franchise Agreement, your financial history and the financial stability of your existing location; and your experience managing your existing location.


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

ITEM 13 TRADEMARKS

The following are the principal trademarks that we license to you. These trademarks are owned by us. They are registered on the Principal Register of the United States Patent and Trademark Office. All required affidavits for registration have been filed. The registered trademark on the words "SUPERGREEN SOLUTIONS" has been renewed.

Trademark	Registration Date	Registration Number
SUPERGREEN SOLUTIONS	4/10/2012	4125259
	1/1/2019	5641730

With respect to the following trademark, we make the following disclosure: We do not have a federal registration for this principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. An application for registration on the Principal Register of the United States Patent and Trademark Office has been filed.

Trademark	Registration Date	Identification Number
	11/29/2022	6914013

Your use of the Marks and any related goodwill is to our exclusive benefit and you retain no rights in the Marks. You retain no rights in the Marks upon termination of the Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing.

There are no currently effective determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the principal Marks. There are no superior prior rights in the Marks or infringing uses actually known to us that could materially affect your use of the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise.

We are not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense and/or indemnify you. We reserve the right to control any trademark litigation and will be the sole judge as to whether a lawsuit will be brought or settled in any instance when any person or entity infringes the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks that you become aware of and to cooperate with any action that we undertake. If any party claims that its rights to use any of the Marks are superior and if we determine that the claim is valid, you must, at your expense, immediately make the changes and use the substitutions to the Marks as we require.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the

use of a Mark or substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace supplies, materials, signs, fixtures and equipment (as applicable) and make other modifications we designate as necessary to adapt your business for the new or modified Marks. These changes may require additional investment to conform your business to changes to the Marks and other System modifications. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents:

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights:

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

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

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

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

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

Proprietary Information

We have a proprietary, confidential Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor

pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Manual and other proprietary information, and you must use our confidential information only for your franchised business.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You are not required to sign a personal guarantee, however, you are required to personally sign the Franchise Agreement, even if you form a corporation, partnership or other business entity for the operation of the franchise. If you form a corporation or other business entity, you will sign the Franchise Agreement both personally and on behalf of the business entity as an officer or director of the company. If you form a partnership, you and your partners will sign the Franchise Agreement personally. If you are an individual, you must directly supervise and manage your SuperGreen Solutions business. If you are a corporation, partnership or other business entity, a principal, general partner or your fully trained manager must devote full-time and best efforts to the management and operation of the SuperGreen Solutions business. The SuperGreen Solutions business must at all times be under the direct supervision of someone who has completed our training program. You are required to create and conduct a full-time marketing program and devote time either personally, through an employee or outside marketing agency to promote your business.

We do not have the right to approve or disapprove of your choice for manager, although the manager must satisfactorily complete our training program. Your manager is not required to have an equity interest in your business. Your manager must sign a non-competition and confidentiality agreement which is the same as or similar to the standard form agreement attached as Exhibit H to this Disclosure Document, agreeing to maintain confidentiality of our trade secrets and other proprietary information described in Item 14 and abide by the non-compete covenants described in Item 17, which are valid for two years after the termination of their employment.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only goods and services that we have approved. We reserve the right to designate certain services and goods as mandatory offerings. There are no limits on our right to make modifications to the approved goods and services from time to time as set forth in the Operating Manual or otherwise in writing.

You are not limited in the customers to whom you may sell products and services in your Designated Territory. You cannot actively market to customers located outside your Designated Territory without direct written consent from us. You cannot serve customers located in the territory of another franchisee.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

	Provision	Section In Franchise or Other Agreement	Summary
a.	Length of franchise term	Section 2.A	15 years
b.	Renewal or extension of the term	Section 2.B	15 years
c.	Requirements for franchisee to renew or extend	Sections 2.C, 2.D and 2.E	Upon renewal, you will be required to sign a new Franchise Agreement with terms which may be materially different from the terms of your original Franchise Agreement, pay \$1,500 renewal fee and sign releases.
d.	Termination by franchisee	None	Not applicable (subject to state law)
e.	Termination by franchisor without cause	None	Not applicable
f.	Termination by franchisor with cause	Section 16	We can terminate only if you default.
g.	“Cause” defined – curable defaults	Section 16	You have 10 days to cure our requirements regarding non-payment of amounts due and owing, non-submission of reports, and any other default except those described as non-curable.
h.	“Cause” defined – non-curable defaults	Section 16	Non-curable defaults: failure to commence business within 90 days from date of Franchise Agreement, failure to keep open, falsification of franchise application, insolvency and bankruptcy, commencement of dissolution proceedings, unsatisfied or unbonded judgment, falsification of books, records or reports, 2 or more prior defaults in 12 consecutive months, charge or conviction of a felony, commission of an act that materially and unfavorably affects our brand; unauthorized assignment, and communication of proprietary information to competitor.

	Provision	Section In Franchise or Other Agreement	Summary
i.	Franchisee's obligations on termination/non-renewal	Section 17	Obligations include provide us with list of customers, invoices, address card file and business cards; turn over customer files; payment of all amounts due; return original and copies of Operating Manual and other proprietary materials; discontinue use of copyrighted materials and all items identifying our Marks; assign contracts with customers; assign telephone numbers; discontinue use of marks, confidential information or the System; refrain from representing any current or former association with us; refrain from disclosing confidential information to third parties and comply with covenants against competition.
j.	Assignment of contract by franchisor	Section 15.I	No restriction on our right to assign.
k.	"Transfer" by franchisee - defined	Section 15.G	Includes transfer of beneficial interest in Franchise Agreement.
l.	Franchisor approval of transfer by franchisee	Section 15.A	We retain the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 15.C	Qualified purchaser, training completed, execution of new franchise agreement, payment of transfer fee, not in default, and payment of all costs and obligations.
n.	Franchisor's Right of First Refusal to Acquire franchisee's business	Sections 15.E and 15.F	We can match any offer.
o.	Franchisor's option to purchase franchisee's business	Section 17.E	Upon expiration or termination, we can buy certain assets at a price equal to your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Section 15.H	The Franchise Agreement is transferable without additional fee or penalty, subject to our approval, which shall not be unreasonably withheld.
q.	Non-competition covenants during the term of the franchise	Section 6.S	No involvement in a similar or competitive business. Subject to state law.

	Provision	Section In Franchise or Other Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Section 17.E	No competing business for 2 years within your designated territory or within the designated territory of any other SuperGreen Solutions business. For 1 year, you cannot solicit customers of your business. Subject to state law.
s.	Modification of the agreement	Section 26.B	No modifications generally but Operating Manual subject to change.
t.	Integration/merger clause	Sections 18 and 26.I	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable. No claim made in any franchise agreement or in any related agreement is intended to disclaim the franchisor's representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 25	Either party may request non-binding mediation prior to a suit, action or legal proceeding (subject to applicable state law).
v.	Choice of forum	Sections 25.A, 25.E and 26.D	Harford County, Maryland (subject to applicable state law)
w.	Choice of law	Section 26.D	Maryland law applies (subject to state law)

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual financial performance of its franchises and/or franchisor-owned units, 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 of under particular circumstances.

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 Dan Dubell, 16A Bel Air South Parkway, Bel Air, MD 21015, (410) 995-7759, the Federal Trade Commission and the appropriate state agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	27	11	-15
	2021	12	13	+1
	2022	13	9	-4
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	27	11	-15
	2021	12	13	+1
	2022	13	9	-4

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table 3
Status of Franchised Outlets
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
California	2020	2	0	0	0	0	0	2
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
Florida	2020	3	1	0	0	0	3	1
	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Idaho	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Illinois	2020	1	1	0	0	0	1	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
Iowa	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
Kentucky	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maine	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2022	2	0	0	0	0	1	1
Massachusetts	2020	2	0	0	0	0	2	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Minnesota	2020	4	0	0	0	0	3	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
Missouri	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
New Hampshire	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
New Jersey	2020	2	0	0	0	0	2	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
North Carolina	2020	2	1	0	0	0	1	2
	2021	2	0	1	0	0	0	1
	2022	1	0	0	0	0	0	1
Puerto Rico	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
South Carolina	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	1	0
Virginia	2020	1	1	0	0	0	1	1
	2021	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2022	1	0	0	0	0	1	0
Totals	2020	27	5	0	0	0	20	12
	2021	12	3	2	0	0	0	13
	2022	13	3	0	0	0	7	9

Table 4
Status of Company-Owned Outlets
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
N/A	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

Table 5
Projected Openings As Of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
Illinois	0	1	0
Ohio	2	2	0
Texas	0	1	0
Totals	0	5	0

The names, addresses and telephone numbers of our current franchisees in the United States as of January 1, 2023 are listed in Exhibit E.

The name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date are listed in Exhibit F.

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

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

We do not have any trademark-specific franchisee associations.

ITEM 21 FINANCIAL STATEMENTS

Exhibit B contains our audited financial statements for the fiscal years ending December 31, 2022, December 31, 2021, and December 31, 2020.

ITEM 22 CONTRACTS

Copies of all proposed agreements regarding this franchise offering are included in this Disclosure Document as follows:

1. Exhibit A - Franchise Agreement, State Franchise Agreement Addenda and Schedules
2. Exhibit G - General Release Agreement
3. Exhibit H - Employee Non-Competition and Confidentiality Agreement

ITEM 23 RECEIPTS

COPIES OF AN ACKNOWLEDGMENT OF YOUR RECEIPT OF THIS DISCLOSURE DOCUMENT APPEAR AS EXHIBIT J. PLEASE SIGN AND DATE TWO COPIES AND RETURN ONE FULLY EXECUTED COPY TO US. YOU MAY RETAIN THE SECOND COPY FOR YOUR RECORDS

EXHIBIT A
FRANCHISE AGREEMENT, STATE FRANCHISE AGREEMENT ADDENDA
AND SCHEDULES



SUPERGREEN SOLUTIONS

FRANCHISE AGREEMENT

Franchisee (individual name): _____

Franchisee (corporate/LLC name): _____

Address: _____

Designated Territory: See Schedule C

FRANCHISE AGREEMENT

Between:

Legacy Environmental Solutions, Inc., a Delaware corporation, doing business as **SuperGreen Solutions**, located at 16A Bel Air South Parkway Bel Air, MD 21015 (hereinafter referred to as “SGS”) and the franchisee named on the cover page (hereinafter referred to as “**You**” or “**Your**”).

INTRODUCTION

- A. SGS has expended time, effort, and money developing knowledge about the sustainability, energy efficient and sustainable products and services business (“the **SuperGreen Solutions** business”), which includes sustainability advisory services; energy auditing and determination of client need; sustainability planning; design, sale and installation of energy efficient products including, but not limited to, solar power, electric vehicle (EV) charging solutions, air purification, efficient water heating systems, window inserts, LED and other efficient lighting, ventilation, weatherization, and insulation, energy management and climate control systems; and promotion of client’s sustainability accomplishments (the “Products” and “Services”) and has established a reputation and goodwill in parts of the world in the **SUPERGREEN SOLUTIONS** trademark.
- B. SGS is the owner of the **SUPERGREEN SOLUTIONS** trademark and related trademarks and trade names (“the Trademarks”) which have become associated with the Products and Services, and the **SuperGreen Solutions** System, and SGS has agreed to You using the Trademarks and the System upon the terms and conditions hereinafter appearing.
- C. The methods and know-how of assessment, design, construction, monitoring, post-installation services, distribution, production, promotion and marketing used in connection with the sale and installation of the Products and Services under the Trademarks (the “System”) are secret and confidential and are the exclusive property of SGS. The System also relates to the training, equipment, standards of quality and uniformity of the Products and Services offered.
- D. The Trademarks are associated with uniformly high quality standards of the Products and Services.
- E. SGS may from time to time grant franchises in the United States and its territories and protectorates permitting the operation of **SuperGreen Solutions** businesses under the Trademarks to sell the Products and Services (“the **SuperGreen Solutions** Network” or the “Franchise Network”).
- F. You desire the benefits of SGS’ knowledge, skill, and experience and the right to sell the Products and Services under the Trademarks hereinafter described (“the **SuperGreen Solutions** Business”).

NOW IT IS AGREED as follows:

One: RIGHTS GRANTED

- A. Subject to and in accordance with the terms hereof, SGS grants to You the non-exclusive right to use in the Business (as defined below):
- i. the System;
 - ii. the Trademarks and the symbols owned by SGS together with SGS' accumulated experience and knowledge relating to the **SuperGreen Solutions** business; and
 - iii. the Products and Services.
- B. In this Agreement the expression "the Business" shall mean the business carried on by You in exercise of the above rights and pursuant to this Agreement.
- C. The Business shall only be conducted by You from a location within the Designated Territory stated on Schedule C hereto. As long as You are not in default under this Agreement, SGS shall not open and operate for its own account (or through an affiliate) or franchise others to operate a Business from any physical premises located in the Designated Territory. The Designated Territory granted under this Agreement does not in any way grant or imply any other area, market, development, or territorial rights to You, except as expressly provided above in this Section.
- D. SuperGreen and/or its affiliates reserve the right in your Designated Territory to establish: (i) franchises or company-owned businesses other than a business offering energy efficient products and services under any trademarks or trade names; (ii) similar franchised or company-owned businesses offering energy efficient products and services under any trademark or trade name other than the SuperGreen Solutions name (or any similar trademarks or service marks) but only if these businesses are acquired as part of a merger or acquisition with another local, regional or national chain or system. We also reserve the right to develop and operate and to franchise or license others to develop and operate the SuperGreen Solutions business at any location outside your Designated Territory.
- E. The rights and privileges granted to You under this Agreement are personal in nature and may not be used at any location outside the Designated Territory. You will not open any other Businesses in the Designated Territory. You will not have the right to subfranchise or sublicense any of Your rights under this Agreement.
- F. In this Agreement the word "Goodwill" includes
- i. the goodwill and all rights associated with SGS' copyright material, the System, the Trademarks and any other intellectual property rights of SGS, and
 - ii. any additional goodwill generated from their use in the Business.
- G. The Goodwill shall, at all times, belong to and be vested in SGS and You only have the right to benefit from the Goodwill to the extent provided by this Agreement.

Two: TERM

- A. **Initial Term.** This Agreement shall be for a term of 15 years from the date of this Agreement (the “Term”), unless sooner terminated as hereinafter provided.
- B. **Additional Term.** You shall have the right to require SGS to enter into a new agreement (the “New Agreement”) to take effect immediately following the end of the initial Term subject to the conditions and terms which follow.
- C. Subject to the following conditions precedent, You shall exercise Your right by giving written notice to SGS so that it is received 9 months before the Term ends. The conditions precedent are:
 - i. that You shall not have any outstanding breach of the terms of this Agreement at the time of Your notice and at the time the New Agreement becomes effective, and
 - ii. that You shall be compliant with the then current standards, including but not limited to brand standards, and specifications of the Network, and to comply with any relevant statutory or other requirements or regulations.
- D. The terms of the New Agreement shall be that You and SGS shall enter into the New Agreement for a period at least equal to the Term and upon the terms contained in SGS' then current form of franchise agreement provided however:
 - i. You shall not pay any sum expressed to be by way of initial fee but shall pay a renewal fee in the sum of \$1,500.00 to cover the costs of closing and processing paperwork upon renewal,
 - ii. You will not receive additional renewal or successor terms; and
 - iii. SGS shall not be obliged to provide any of the initial or other obligations contained in such agreement that are appropriate to the establishment of a new franchise.
- E. You shall, upon the execution of the New Agreement, be deemed to have released and discharged SGS from and against all claims and demands not at issue in mediation and/or litigation proceedings at the time of renewal, whether or not contingent, which You may have against SGS arising from this Agreement or in any way out of the relationship between SGS and You.

Three: THE PREMISES

The location of the office from which You conduct Your Business will be determined by You in Your sole discretion, provided that the premises must be within the Designated Territory, that You must have a professional office (and not a home-based business), and you must inform us of the office's street address. You may relocate Your Business to another premises within the Designated Territory with the written consent of SGS which consent shall not be unreasonably withheld provided that such relocation shall not change Your Designated Territory.

Four: SGS' INITIAL OBLIGATIONS

To assist You in opening for business, SGS will (in addition to the online training courses and an initial onsite training program at franchisee location to be provided pursuant to the provisions that follow in Section Seven below) provide for or make available to You the following services and/or goods:

- A. advice with regard to establishing the Business including assistance with establishing a marketing program;
- B. sell to You the equipment and other items (the "Equipment Package") listed in Schedule A to this Agreement;
- C. provide for a period of approximately 30 to 40 hours a suitably-qualified member(s) of its staff and representatives of the equipment vendors to assist in initial on-location training and guidance on commencement of the Business. SGS shall pay the travel and other costs of its staff member for the purpose of an initial on-location training;
- D. assistance in establishing suppliers of products and materials used in, and the Products and Services offered and sold by, Your Business;
- E. provide You with the initial month subscription to QuickBooks bookkeeping system and a format for Your invoices;
- F. provide You, on loan, with an Operating Manual, which includes statements of policies and procedures, together with instruction and advice in the operation of a Business;
- G. provide You with other relevant manuals and written material which, in its discretion, SGS deems necessary; and
- H. provide You with a starter supply of printed material plus digital copies and a press release sample for Your use.

SGS may delegate the performance of any or all of its obligations hereunder to such third parties as it deems advisable.

Five: SGS' CONTINUING OBLIGATIONS

SGS shall at all times during the term of this Agreement:

- A. provide You with details of any alterations and/or improvements in or to the System to enable You to keep the Operating Manual up to date. In the event of any dispute, the authentic text of the Operating Manual shall be the copy kept as such by SGS at its principal Corporate Office. The Operating Manual in its original form and all copies shall at all times remain the property of SGS. You acknowledge that the copyright in the Operating Manual is vested in SGS;

- B. visit You in person or via virtual videoconference at least 12 times per year each year at SGS' own expense by a member(s) of SGS' staff as SGS considers suitably experienced for the purpose of assisting You and monitoring Your compliance with quality standards;
- C. provide You with information relating to seminars and franchise meetings, including virtual seminars on topics relating to your ongoing training and improved operation of Your Business, organized by SGS for its franchisees and permit You at Your own expense, to attend;
- D. provide You from time to time with copies of SGS' corporate newsletter;
- E. offer to You from time to time, free of charge, advice on sales and service methods, marketing development and techniques, and business and operating procedures; and
- F. use reasonable efforts to offer advice and technical assistance and support for equipment, computer hardware and software, by telephone, video call, or electronic communication.

SGS may delegate the performance of any or all of its obligations hereunder to such third parties as it deems advisable.

Six: FRANCHISEE'S OBLIGATIONS

In order to maintain the common identity and reputation of the Franchise Network, to maintain the uniformly high standards among franchisees carrying on business under the Trademarks in accordance with the System, and to protect SGS, You, the Franchise Network, the Goodwill and the demand for the Products and Services sold, supplied or provided by the Business under the Trademarks, You shall:

- A. purchase the Equipment Package from SGS prior to opening the business and use it exclusively for the purpose of operating the Business;
- B. acquire any other miscellaneous equipment, books of account, and any other items which are necessary for the performance by You of Your obligations under this Agreement;
- C. have one person, comprised of either Yourself or the person you employ to oversee operation of the business on a full-time, day to day basis (your "Manager"), at Your sole cost and expense (excluding SGS approved training material and trainers), undertake and complete to SGS' satisfaction such training, at such times, as SGS may reasonably require;
- D. diligently carry on the Business and use Your greatest efforts to promote the Business. You must devote an adequate amount of Your time and attention to the Business as is necessary to ensure performance of the administrative, marketing, promotional and accounting functions required in operating the System. . You must ensure that the Business continuously operates during normal business hours for a minimum of 40 hours per week.
- E. operate the System and Your Business properly and in strict accord with the required provisions of the Operating Manual, provided that such provisions do not conflict with

applicable laws or regulations. In the case of a conflict, You shall request a variance and SGS shall grant You an automatic variance for the purpose of compliance with applicable laws or regulations. You also acknowledge that the required provisions are intended to protect the goodwill of the Trademarks and not to exercise control over the day to day operations of the Business, which remains your sole responsibility. You shall not make use of or disclose the Operating Manual to any other person or for any purpose other than for the conduct of the Business, nor shall You make any copies of the Operating Manual or any part thereof. You shall further ensure that Your copy of the Operating Manual and all copies made are kept up to date at all times. You acknowledge the Operating Manual and all copies made to be the exclusive property of SGS. You agree to promptly comply (but no later than 30 days from delivery) with all revisions to the Operating Manual that may be made from time to time;

- F. You may exercise Your option to operate Your Business through a limited liability company, corporation or other legal business entity (a “business entity”), provided that: (i) the Franchise Agreement shall remain in Your name, and the full legal name of the business entity shall be added to the Franchise Agreement as an additional Franchisee; (ii) the business entity shall be newly organized and its activities are confined exclusively to operating the Business licensed under this Agreement; (iii) You are the owner of all the stock or membership units of the business entity and are the principal executive officer thereof; (iv) You furnish SGS with the name, address, telephone number and percentage of ownership of each officer, director, shareholder and member of the business entity; and (v) no part of the Trademarks shall form part of Your legal business entity name. In furtherance of this Section 6.F, in the event You operate the Business through a business entity which is not named as an additional Franchisee in the Franchise Agreement, You hereby grant an irrevocable power of attorney to SGS and appoint SGS as Your attorney-in-fact to add the business entity to this Agreement as an additional Franchisee;
- G. operate the Business only under the name or names specified by SGS without any accompanying words or symbols of any nature (save as required by the provisions of this Agreement) unless first approved in writing by SGS. You shall not do anything that may adversely affect SGS’ rights in the Trademarks;
- H. acquire such licenses and permits as maybe required by federal, state or local governments and agencies to operate the Business; comply with all applicable state and federal laws and regulations and the ordinances, regulations and requirements of local, state and federal governmental authorities, pay any and all city, county, state and/or federal sales and/or use taxes, excise taxes, occupation taxes, license fees and other taxes, assessments and levies arising out of or in connection with all or any part of this Agreement, and You shall not misappropriate or infringe on the copyrights, trademarks, patents or other intellectual property rights of third parties; SGS assumes no, and disclaims any and all, liability or responsibility with respect to Your dealings with and compliance with the requirements of any licensing or permitting agency of Your state;
- I. indicate Your status as an independently owned and operated franchise by:

- i. displaying in the location that SGS may direct signs bearing the following words (or other words to similar effect as may from time to time be specified by SGS) “Independently Owned and Operated by” followed by Your name;
 - ii. placing upon all letterhead, bills, invoices, and any other documents or literature used by You, and within the body or signature field of all email communications sent in connection with the Business the following words (or other words to similar effect as may from time to time be specified by SGS) “Independently Owned and Operated by” followed by Your name;
- J. place on all of Your promotional materials, business cards, web site and any other media used to promote the Business the national toll-free telephone number designated by SGS from time to time. No other telephone number may be used on any advertising media without the written consent of SGS;
- K. answer the telephone at the Business initially reciting the full name “**SuperGreen Solutions**” or such other trade name as SGS may specify from time to time. You shall not answer the telephone under any other name without the prior written consent of SGS;
- L. continuously (during regular business hours and days) operate the Business unless prohibited from so doing by an act of God, a religious holiday, or conditions beyond Your control (“Non-controllable Events”). You further agree to exercise Your greatest efforts, skills, and diligence in the conduct of the Business. In this connection, You agree to supervise Your employees to ensure compliance with the SGS System. In addition, You and Your employees shall wear approved uniforms (*i.e.*, **SuperGreen Solutions** logoed apparel) during the operation of the Business;
- M. shall not sell anything or provide any service which does not conform with the standards associated with the Trademarks or of which SGS does not approve thereof which consent shall not be unreasonably withheld. You shall offer any products or services which SGS deems mandatory. You shall comply with all instructions given to You by SGS with regard to the standards or quality of the SGS System and the Products and Services (including display kits and advertising). You shall comply with any requirements that SGS establishes from time to time for national accounts or customers. You may only fulfill solar power system sales through the suppliers and installation company that we designate. You shall not actively market to businesses and individuals located outside Your Designated Territory and cannot indicate in any media, print or electronic, that You have a location or provide services in any area outside of Your Designated Territory without written consent from SuperGreen. You acknowledge that You have no remedy against SGS for any marketing and promotion conducted by other franchisees that occurs within your Designated Territory. In the event of a customer complaint, You shall follow the procedures outlined in the Operating Manual and provide to SGS such information as SGS may require to enable SGS to monitor the performance of the Business and to offer guidance to You;
- N. replace any equipment items as may become obsolete or inoperable with items that meet SGS’ new requirements in respect to opening a new Business or the operations of your

existing Business. If, by reason of any change to the SGS System, additional or different equipment is required, then You shall acquire and install these items as commercially practicable, within a reasonable period of time as specified by SGS;

- O. use Your greatest efforts to maintain the highest standards in all matters connected with the Business and increase the revenues of the Business;
- P. only employ as a Manager of the Business a person who has successfully completed the online and in-person training courses SGS requires;
- Q. procure from any Manager and from such other staff, as SGS shall require, an agreement to be supplied by SGS not to use or disclose to any third party any information or knowledge concerning SGS' business, the Business, or the SGS System and to comply with the non-compete requirements set forth in Section Seventeen F.(i) and (ii) of this Agreement for two years following termination of his or her employment with You;
- R. not do anything which may bring the System into disrepute or which may damage the interests of SGS or the Franchise Network;
- S. not own, manage, or have any involvement with any business other than the Business which is similar to a **SuperGreen Solutions** business, regardless of location;
- T. maintain the System and other information relating to the conduct of the Business in strict confidence and secret and shall only use them for the purpose of conducting the Business during the term of this Agreement. You shall not use, disclose, publish or otherwise make this confidential information available to any third party during or at any time after the term of this Agreement.
- U. not interfere with SGS' prospective franchise sales by soliciting SGS' prospective franchise buyers for another business opportunity and/or for employment with Your Business;
- V. indemnify and hold SGS harmless against all claims, demands, damages, cost or expenses which may be incurred or received by SGS resulting from any breach of this Agreement on Your part, the negligence of any party (other than SGS), or arising directly or indirectly out of the management or operation of the Business, or in connection with Your sale, transfer or assignment of the Business and franchise license, which indemnification obligation survives the expiration or termination of this Agreement. It is the intention of the parties to this Agreement that SGS shall not be deemed a joint employer with You for any reason; however, if SGS incurs any cost, liability, loss or damage as a result of any actions or omissions of You or Your employees, including any that relate to any party making a finding of any joint employer status, You will fully indemnify SGS for any such cost, liability, loss and damage;
- W. have Internet access and an email address. You must use the Internet website and email address(es) provided by SGS and pay to SGS or its designated vendors the annual hosting and maintenance fees for the website and monthly email account fees. You cannot use any

other website to promote the Business and cannot use other domain names (with or without the Trademarks as part of the name) that are pointed or linked to the Internet website provided by SGS without the written permission of SGS. You cannot use any other email address and related mail server than the one provided by SGS to conduct business activities. The exception is bulk email which must be sent through an approved email service (bulk email is any email sent to more than 100 recipients). If SGS discovers You have obtained or are using another website, domain name or email address for or in connection with Your Business without SGS' written permission, SGS shall notify You and upon notice, You shall immediately transfer and assign the same to SGS. SGS will, at its discretion, determine the content and use of Your website and will establish the rules under which franchisees may or will use their websites or separately use the Internet or other on-line communications in the operation of the Business. Without the written permission of SGS, You cannot use Internet tools such as but not limited to search engine optimization for the purpose of promoting Your Business to customers in the designated territory of another SGS franchisee. SGS will retain all rights relating to the website and may alter or terminate the website upon 30 days' notice to You. Your general conduct on the website or other on-line communications and specifically Your use of the Trademarks or any advertising on the website or other on-line communications (including the domain name and any other Trademarks SGS may develop as a result of participation in the website or other on-line communications) will be subject to the provisions of this Agreement. Your right to use the website or otherwise use the Trademarks or System on the Internet or other on-line communications will terminate when this Agreement expires or terminates;

- X. effect such items of modernization, refurbishing and/or replacement of equipment, computers and software, displays or demonstration products and other improvements, as SGS deems reasonably necessary to permit Your Business to conform to the standards then prescribed by SGS for similarly situated new **SuperGreen Solutions** businesses. You acknowledge and agree that the requirements of this Section Six X are both reasonable and necessary to ensure continued public acceptance and patronage of **SuperGreen Solutions** businesses and to avoid deterioration or obsolescence in connection with the operation of Your Business. Each and every transfer of any interest in this Agreement or business conducted hereunder governed by Section Fifteen also is expressly conditioned upon compliance with the foregoing requirement without regard to the number of years since the last modernization, refurbishing and/or replacement;
- Y. Purchase all of Your Products and Services from SGS' approved suppliers in such categories as SGS may designate from time to time in writing to You;
- Z. Comply with SGS' policies with regard to the use of social media to promote Your Business, or any use of social media in connection with Your use of the System and Trademarks and Your participation in the Franchise Network; and
- AA. Attend any SGS national meeting.

Seven: INITIAL TRAINING

- A. You or Your initial Manager will complete approximately 24 hours of online training and then SGS will train You or Your initial Manager in the operation of the System at our or your onsite location for approximately 30 – 40 hours. You or Your initial Manager must complete the online training at least one week before SGS begins its onsite training. The duration of online training and SGS' initial onsite training program may vary as SGS updates its training programs.
- B. The initial franchise fee paid by You pursuant to Section Ten A.(i) and Your purchase of the Equipment Package pursuant to Section Six A shall cover the charge for such training for one person. SGS shall not compensate You for any service performed during this initial (or any) training period. If You bring additional persons to the initial training, You will pay a training fee of \$300.
- C. SGS may at any time during training, by notice in writing, inform You that any person submitted for training is not suitable due to blatant criminal activities, disreputable behavior, poor attendance and/or disturbing fellow trainees. In this event, SGS' obligations in respect to the first trainee shall be regarded as discharged and any further training for any replacement for the first trainee shall be provided at Your expense.
- D. SGS shall have the right to require You or members of your business team to attend further training courses at any time during the Term of this Agreement if:
 - i. SGS considers attendance at such courses to be advisable;
 - ii. SGS wishes to train You in new and improved techniques that have been devised and which You will be required to put into effect in operating the Operations System; or
 - iii. a regularly scheduled training program is scheduled or in session.

There will be no training fee or charge for these additional training classes; however, all additional costs of attendance shall be at Your sole expense.

Eight: CONTINUING TRAINING

- A. SGS will train any subsequent Manager, replacement staff, or any trainee of Yours in any place SGS may require, and at Your expense. There will be a training fee of \$300 (or, if different, the then current fee).
- B. You shall establish and maintain a training program for Your staff in accordance with the requirements contained in the SGS Operating Manual.
- C. SGS shall make available virtual training for new equipment (whether provided by SGS or its vendors or others). If SGS provides training in person at your request, such training will be at Your expense.

- D. You and SGS acknowledge and agree that the training provided by SGS as described in this Section and Section Seven above are provided to You for Your benefit and to ensure a uniform image and quality of services in all **SuperGreen Solutions** businesses. You further acknowledge and agree that You shall be solely responsible for training Your Manager and staff; and SGS is not an employer, co-employer or joint employer with You of Your employees. You further acknowledge and agree that You are solely responsible for all employment matters, decisions and relationships in connection with the Business.
- E. All training programs and courses, including online courses, provided by SGS as described in Section Seven and this Section Eight are at the sole discretion of SGS. SGS has the right to refuse to provide any training program and/or course to any individual where SGS deems in its sole judgment such training is against its interests, or the interests of any SuperGreen Solutions franchisee or any affiliate.

Nine: IMPROVEMENTS

- A. If SGS develops new and improved methods of conducting a business in accordance with the System, SGS agrees to make these improvements available to You at the earliest possible opportunity. You in turn will notify SGS of any improvements, additions, modifications or innovations in Your method of operation which You believe would assist in the development of the System.
- B. In order that You, SGS, and its other franchisees may all benefit from the free interchange of ideas, You shall permit SGS to introduce into the System and/or the Operating Manual any improvements, additions, modifications, or innovations which may have been conceived or developed by You without any payment being made to You.

Ten: FEES

In consideration of the grant of the franchise herein, You shall pay to SGS the following:

- A. **Initial Franchise Fee.** Upon the execution hereof, You shall pay SGS an initial franchise fee of \$49,500. The initial franchise fee shall be deemed fully earned and non-refundable upon the execution of this Agreement.
- B. **Royalty Fees.** Beginning when You open for business, You shall pay to SGS a monthly Royalty Fee 5% of Gross Sales on residential solar systems, 2% of Gross Sales on commercial solar systems and 5% on all other products and services sold or (y) the minimum monthly Royalty Fee listed below:

Your minimum monthly Royalty Fee shall be:

- (i) Months 1-12 -- \$400.00 per month
- (ii) Months 13-24 -- \$600.00 per month
- (ii) After 24 months of operation -- \$800.00 per month

- C. **Advertising Fund Fee.** At the signing of this Agreement, You shall pay to SGS an Initial Advertising Fund Fee of \$750. Beginning in the month when You open for business, You

will pay to the SuperGreen Solutions Advertising Fund (the “Fund”) or its successors and assigns a monthly Marketing Fee of the greater of 1% of your gross sales per month or \$350 per month.

- D. **Technology Fee.** During the term of this Agreement, commencing when that You are open for business, You will pay to SGS, or a designated vendor, a monthly fee for license(s) to a business management applications and/or electronic point of sale system and for the hosting and maintenance of a website, domain name(s) and email account(s) of \$550 (or, if different, the then-current fee). SGS may add, remove, or change the software and services provided in exchange for the Technology Fee.
- E. **Online Training Programs Fee.** During the term of this Agreement, commencing with the first full month that You are open for business, a fee for each member of Your sales team to access the online training programs developed by SGS. A license is required for You and for each active member of the franchisee sales team. The monthly fee is currently \$30 per person per month. SGS may reasonably change the fee.
- F. For the purposes of this Agreement, “Gross Sales” means the entire amount of all of Your sales arising out of the ownership or operation of the Business or any business at or about the Business. This amount is to include, without limitation, revenues derived from or relating to all sales and fees charged for Products ordered from or sold by and Services rendered by, or completed for delivery through, or from the Business (including installation charges). The sales are determined regardless of whether they are evidenced by cash, credit, checks, services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority and freight charges. Cash refunded and credit given to customers, shall be deducted in computing Gross Sales to the extent that such cash or credit represent amounts previously included in Gross Sales on which Royalty and Marketing Fees were paid. Gross Sales shall be deemed received by You at the time the Products, or Services from which they were derived is completed regardless of whether same has been delivered or rendered. Gross Sales consisting of property or services shall be valued at the prices applicable, at the time such Gross Sales are received, to the Products or Services exchanged for such Gross Sales.
- G. You shall report to SGS Your Gross Sales by the 3rd day of the month by submitting electronically, or in such other form as SGS may designate from time to time, a monthly Royalty Fee and Marketing Fee Statement.
- H. We will receive payment of the percentage Royalty Fee and the percentage Marketing Fee owed as a result of solar power system sales by withholding those fees from amounts paid by the designated installation partner. Otherwise, Payment of the Royalty Fee, Marketing Fee, the Technology Fee, Online Training Program Fee, and any other monthly fees will be through electronic withdrawal from Your bank account and shall be done during the period from the 4th through the 7th day of the month following the month to which the fee applies. SGS reserves the right to change the method of payment from electronic transfer to such other manner of payment that SGS deems appropriate.

- I. When You have a bank account for your Business, You shall sign an authorization and all other documents necessary to permit SGS to withdraw funds from Your designated bank account by electronic funds transfer in the amount of the Royalty Fee, the Marketing Fee and all other fees and amounts described in this Agreement. Any fee calculated by reference to Gross Sales shall be based on the information in the applicable fee statement submitted pursuant to Section Ten E above or, if the statement has not been submitted on a timely basis, SGS may process an electronic transfer for the subject month based on the average of the three most recent fee statements provided by You to SGS plus a late report fee of \$100. If the fee statement(s) for the subject month is subsequently received and reflects (i) that the actual amount of the fee(s) due SGS or the Fund was greater than the amount withdrawn, then SGS shall be entitled to withdraw additional funds from Your bank account for the difference; or (2) that the actual amount of the fee due was less than the amount of the withdrawal, then SGS shall credit the excess amount to the payment of Your future obligations or other amounts due to SGS or the Fund. Should any electronic funds transfer not be honored by Your Bank for any reason, You agree that You shall be responsible for that payment plus any service charge applied by SGS or its bank. If any payments due SGS under this Agreement, whether to be paid by electronic funds transfer or otherwise, are not received when due, interest on the amount past due will be charged interest by SGS at the rate of 18% per annum or the maximum rate of interest permitted by law, whichever is less plus a late charge of \$10 per day for each day the payment is late. You acknowledge and agree that You have no right to withhold payment of the fees due under this Section Ten by right of Your dissatisfaction with SGS' performance of its obligations under this Agreement and that if You are so dissatisfied, You will pursue other remedies at law which may be available. Additionally, in the event of non-payment by You of any of Your obligations under this Agreement and the failure to cure such non-payment within 10 days of the due date of the payment, or other uncured defaults under this Agreement by You, SGS, at its option, may withhold services from You including, but not limited, business support, email access, remote support, website access and Fund-sponsored services.
- J. As security for all Your monetary and other obligations to SGS, You hereby grant to SGS a first priority security interest in all of Your assets used in connection with the Business and wherever located, including, without limitation, all furniture, fixtures, machinery, equipment, inventory, and all other property, (tangible or intangible), now owned or hereafter acquired by You, as well as all contractual and related rights of You under this Agreement and all other agreements between the parties. You agree to execute such financing statements, continuation statements, notices of lien, assignments, or other documents as may be required in order to perfect and maintain SGS' security interest. SGS agrees to subordinate its security interest to any working capital lender of Yours and to the purchase money security interest of an approved equipment vendor for any equipment purchased by You and used in the operation of the Business. You shall pay all filing fees and costs for perfecting SGS' security interest. You acknowledge that this Agreement constitutes a security agreement for the purposes of the attachment, perfection, and enforcement of the foregoing security interest. Upon the occurrence of any default under this Agreement, SGS shall have and be entitled to exercise all rights to which a secured

party may be entitled under the version of the Uniform Commercial Code of the state where your Business is located.

Eleven: ACCOUNTING AND REPORTING

A. You shall:

- i. install and use the electronic point of sale, accounting software or business management application (“EPOS”) specified by SGS. You shall accurately record all transactions through the EPOS and shall ensure that SGS shall have access to Your EPOS at all times for the purpose of obtaining information relating to the Business. In the event of any failure of the EPOS, during the operation of the Business, You shall manually keep accurate records which shall be entered into the EPOS as soon as may be practicable following rectification of the cause of the breakdown. Upon SGS’s request, You shall modify, upgrade and replace the EPOS from time to time, but not more frequently than once every three years, and shall also execute additional license agreements in connection with such modifications, upgrades and replacements of the EPOS. If the EPOS is modified, upgraded, or replaced in its entirety, You shall install and use the modified, upgraded or new EPOS in accordance with this Section;
- ii. maintain in a form approved by SGS (and preserve the same for at least six years after the end of the financial year to which they relate and thereafter for so long as any dispute shall remain outstanding between the parties) full and accurate balance sheets and profit and loss statements and all underlying or supporting records and vouchers (including the bank statements, deposit slips and tax returns) relating to the Business. You shall permit SGS (or any person, firm or company nominated by SGS) during business hours to inspect and take copies of Your books of account and records including, but not limited to, records stored within Your EPOS, bank statements, deposit slips, tax returns and other financial books of account and records. At SGS’ request, You shall promptly transmit or send copies of Your books of account and records to SGS (or any person, firm or company nominated by SGS) for review and inspection. If, on any such inspection, a discrepancy greater than 2% of Gross Sales is found between the sums reported as Gross Sales and the actual Gross Sales for any reporting period, then You shall, without prejudice to any other rights which SGS may have, reimburse SGS for all costs incurred in conducting such inspection including travel, hotel, subsistence, salaries, and fees;
- iii. for each of Your accounting years supply to SGS financial statements (including a balance sheet and profit and loss statement) for Your full accounting year prepared by Your accountant which shall be certified by You to SGS as correct. Such certificate and financial statements shall be delivered to SGS within 90 days from the end of the said accounting year. You shall also supply to SGS a profit and loss statement within 10 days after the end of each calendar month. You agree to have such annual and monthly financial statements prepared separately for the Business

and not on a consolidated basis with the assets or liabilities or profits or losses of any other business with which You are associated reflected therein; and

- iv. for each of Your tax years supply to SGS copies of Your federal and state business tax returns and sales tax returns or in lieu of federal tax returns supply to SGS each tax year IRS Form 4506-T (or any successor form designated by the IRS), executed by You and authorizing the IRS to send SGS a copy of Your Tax Return Transcript. You agree to prepare and file such returns separately for the Business and not on a consolidated basis with the income, sales, expenses or deductions of any other business with which You are associated reported therein.

B. SGS shall:

- i. have the right to verify all of Your sales directly with customers; and
- ii. have the right to verify all of Your purchases and other expenses directly with Your suppliers, vendors, and employees.

- C.** You acknowledge that SGS has the capability to and will access remotely all EPOS data on Your computer or tablet and other data which may be hosted on servers and SGS can use such data for such business purposes as it deems proper provided that SGS will not sell, transfer or share such data to or with any other person or entity during the term of this Agreement except in connection with (i) the transfer of this Agreement as permitted under Section Fifteen I of this Agreement; (ii) the compilation of operating statistics on all franchises, or groups thereof, for public distribution; (iii) sales rankings for publications to franchisees via SGS' Intranet; (iv) financial performance representations for publication in SGS' franchise disclosure documents for prospective franchisees; (v) comparative sales charts and tables for publication to franchisees via SGS' Intranet; and (vi) other similar data compilations.

- D.** You shall not combine or commingle Your Business operations with that of any other business. You shall not use the bank account or EPOS designated for the Business to process transactions or sales, make deposits or pay expenses for another business. You agree to keep the financial books of account and records of Your Business separate and apart from Your personal financial books and records and/or from the books and records of any other business with which You are associated. You shall not file consolidated tax returns for the Business which consolidate the income or deductions of the Business with those of another business.

Twelve: ADVERTISING/MARKETING

- A.** You must participate in any national, regional or local advertising cooperatives that SGS designates. You shall pay into the SGS Marketing Fund a monthly Marketing Fee as specified in Section Ten C. SGS reserves the right to: (i) modify or terminate the Marketing Fund; and/or (ii) create or establish a new marketing fund in the future. If SGS exercises any of these rights, You must pay SGS, its affiliate, or another entity designated by SGS, the monthly Marketing Fee and comply with all requirements relating to the Marketing Fund or any new fund SGS establishes. SGS also reserves the right to enforce the

obligations of the Marketing Fund and distribute the proceeds of any settlement or judgment in the manner that SGS deems appropriate, and to suspend or reduce a franchisee's obligation to participate in the Marketing Fund or any other advertising cooperative. SGS will have the right to use the Marketing Fees in its absolute judgment and apply it to advertising, marketing, public relations, and promotional programs and activities, and related overhead (including without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce and e-marketing programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of SGS's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund). The methods of marketing and promoting, media employed and contents, terms and conditions of marketing campaigns and promotional programs will be within the sole discretion of SGS. SGS will not be required to pay Marketing Fees in its role as franchisor; however, all **SuperGreen Solutions** businesses that are owned and operated by SGS (or an affiliate of SGS) will be required to pay Marketing Fees in the same manner as franchisees.

- B. You shall be responsible for all Your own direct marketing and local advertising of the Business. In addition to the Marketing Fee paid to the Marketing Fund, in each year you shall expend at least an amount equal to the greater of \$20,000 or 5% of all of your gross sales on direct marketing, lead generation or local and regional advertising (including public relations), provided we may not require you to spend more than \$75,000 per year on direct marketing and local or regional marketing. (However, we may increase the minimum and maximum amounts stated in the prior sentence from time to time to reflect increases in the U.S. Consumer Price Index since the date of this Agreement.) SGS also believes in and encourages You to participate in cooperative advertising where available. For the purposes of this Paragraph, the term "direct marketing and local or regional marketing" shall mean all marketing and public relations, sales personnel costs, advertising and promotions effected through the medium of the Internet, mobile marketing, email and other digital communications media advertising and promotions effected through the medium of local radio or television broadcasts, newspapers, periodicals, telephone and yellow pages directories, billboard advertising and public relations.
- C. You shall comply with the criteria and/or guidelines that SGS will establish from time to time for marketing and advertising (including public relations) activities. SGS will require that Your advertising materials include contact information for obtaining information regarding SGS franchises and the SGS franchise system. SGS may, from time to time, provide samples of certain marketing materials that You may duplicate and use. You alone at all times shall be responsible for ensuring Your marketing materials and activities conform to applicable laws and regulations, do not infringe the intellectual property rights of any third party, including but not limited to, trademarks, trade names, patents, copyrights, designs and images belonging to any third party and the intellectual property rights of third parties whose brands, designs, trademarks, trade names or logos appear on the Products and Services offered for sale at the Business, and conform to any applicable

guidelines, directions or permissions published or provided by third parties in relation to the marketing, sale or promotion of the Products and Services that contain or are associated with the brands, trademarks, trade names or logos of third parties. In addition, reproduction proofs of newspaper advertising from time to time, which, if observed, will not require any consent from SGS.

- C. All marketing campaigns or promotional activities (including public relations) conducted by You shall be subject to the prior written approval of SGS whose decision will not be unreasonably delayed. All marketing campaigns must be presented for SGS review and approval at least 20 days prior to run unless otherwise authorized. You and SGS acknowledge and agree that SGS' review and approval of Your marketing campaigns or promotional activities is not a warranty of any kind. You cannot actively or directly market in the Designated Territory of other SuperGreen Solutions franchisees.
- D. You shall, upon being requested to do so, provide SGS with details of Your proposed marketing, advertising and promotional activities in a timely manner. You acknowledge that SGS has explained the importance of the creation and maintenance of a full-time marketing program. You further acknowledge that a vital factor to the success of any business lies in the creation and maintenance of a full-time marketing program. You agree to create and continuously conduct, during the Term a full-time and ongoing marketing program, either personally or through an employee or outside marketing agency, to conducting such a marketing program. You further agree to create a marketing file and record all marketing activities therein with the GoogleDrive folder setup (or any successor system we require) for your business. This file shall be available to SGS to review upon reasonable notice.
- E. You acknowledge that nothing in this Agreement imposes upon SGS or the Marketing Fund the duty or the obligation to provide direct or indirect marketing or promotion in relation to the Business. Neither SGS nor the Marketing Fund can ensure that its marketing or promotional activities will benefit You directly or be proportionate or equivalent to the Marketing Fees that You pay to the Fund.

Thirteen: INSURANCE

- A. You are required to obtain and maintain at Your cost and expense such policies of insurance in such amounts and from such carriers as may reasonably be required by SGS from time to time throughout the Term. You shall provide SGS with such proof as SGS may require from time to time that You have obtained and are maintaining the insurance coverage required hereunder. Such insurance shall include, without limitation:
 - i. comprehensive general liability policy with a minimum combined single limit covering bodily injury and property damage with respect to the products, and completed operations of \$1,000,000;
 - ii. auto insurance for each vehicle used by you or our employees in the business, with a minimum combined single limit covering bodily injury and property damage of \$1,000,000; and

- iii. all insurance required by applicable law, including workers compensation and disability (limits may vary according to geographical location). If the applicable laws in Your state do not require the owners of a business to be covered by workers compensation insurance, You shall elect coverage for Yourself.
- B. Your policies (other than Workers Compensation) must: name SGS and its affiliates as an additional named insured on all insurance policies required hereunder which policies shall be considered as primary in the event of loss or claim; include a waiver of subrogation in favor of SGS and its affiliates; be primary and non-contributing with any insurance carried by SGS or its affiliates, and; stipulate that SGS shall receive 30 days' prior written notice of cancellation.
- C. You shall not terminate any insurance policy required to be obtained and maintained hereunder, nor modify or amend the terms thereof, without SGS' prior written consent, which consent shall not be unreasonably withheld, and each policy must provide that it shall not be canceled, modified or subjected to non-renewal, without at least 10 days prior written notice to SGS.
- D. This Section Thirteen references minimum requirements. You agree to consult with Your local insurance agent and/or legal counsel, and to ensure Your Business is adequately insured, You have all insurance required by law or by the terms of any agreement to which You are a party.

Fourteen: TRADEMARKS

- A. You shall only use the Trademarks in connection with the operation of the Business and only in a form and manner approved by SGS. All domain names and email addresses used in Your business that include the word **SuperGreen Solutions** must be approved in writing by SGS and will be the property of SGS.
- B. In no circumstances shall You apply for registration with respect to any of the Trademarks or which would conflict with the Trademarks, nor shall You take any action or refuse or decline to take any action which may result in harm to the Trademarks or put any registrations or applications to register at risk.
- C. You shall comply with SGS' instructions in filing and maintaining the requisite fictitious, trade or assumed name registrations for the Trademarks.
- D. You shall, in all representations of the Trademarks on the Products, attach in a manner approved by SGS such inscription as is usual or proper for indicating that such Trademarks are registered.
- E. You acknowledge that the use of the Trademarks outside the scope of this Agreement, without SGS' prior written consent, is an infringement of SGS' rights in the Trademarks, and You expressly covenant that during the Term, and after the expiration or sooner termination of this Agreement, You shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting the validity or right of SGS to the Trademarks, or take any other action in derogation of such rights.

- F. In the event of any claim of infringement, unfair competition or other challenge to Your right to use the Trademarks, or in the event You become aware of any use of or claims to the Trademarks by persons other than SGS or its franchisees, You shall promptly (but in no event more than 15 days later) notify SGS in writing. You shall not communicate with anyone except SGS and its counsel in connection with any such infringement, challenge, or claim except pursuant to judicial process. SGS shall have sole discretion as to whether it takes any action in connection with any such infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim relating to the Trademarks. You must sign all instruments and documents, render any assistance, and do any acts that SGS' attorneys deem necessary or advisable in order to protect and maintain SGS' interest in any litigation or proceeding related to the Trademarks or otherwise to protect and maintain SGS' interests in the Trademarks.
- G. If it becomes advisable at any time, in SGS' sole discretion, to modify or discontinue the use of any of the Trademarks and/or use one or more additional or substitute names or marks, for reasons including, but not limited to, the rejection of any pending registration or revocation of any existing registration of any of the Trademarks, or the superior rights of senior users thereof, You will immediately, upon written notice from SGS and at Your expense, make all changes or modifications to the Trademarks as specified by SGS.

Fifteen: ASSIGNMENT & RESALE (SALE OF BUSINESS)

- A. You shall have the right to assign the Franchise and to sell the Business, or sell ownership interests in You if you are a business entity, only with the prior written consent of SGS, which consent shall not be unreasonably withheld and subject to the conditions listed in Section C below.
- B. SGS will grant to a purchaser of the Business who is acceptable to it a franchise for a period equal to the term then being granted by SGS to new franchisees (commencing the date of the sale of the Business) and upon the terms and conditions to SGS' then current form of franchise agreement, excluding the payment of an initial fee.
- C. Subject to Sections D through F below, the conditions required to obtain the written consent of SGS to the sale of the Business by You shall be that:
- i. any prospective purchaser shall submit his offer in writing, shall be bona fide and at arms' length, and shall meet SGS' standards with respect to the selection of new franchisees;
 - ii. the prospective purchaser or its management team must agree to successfully complete SGS' initial training program prior to assuming the daily duties of the Business;
 - iii. the prospective purchaser must enter into a new franchise agreement prior to attending such training as may be required by SGS;

- iv. You must turn over to SGS all digital assets, including, but not limited to, all digitally-stored content (such as images, photos, videos and text files), whether stored locally at the Business or accessible via the internet, the cloud, or another digital storage device (such as a USB drive or zip drive) or stored with a third-party digital-storage provider (such as GoogleDrive or Dropbox); and all usernames and passwords for any and all email accounts, social networking websites (such as Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, Vimeo, Flickr, Reddit, Snapchat, and WhatsApp), blogs, review websites (such as Yelp or Angie's List), and any other online communities where the Business created or shared online content, or held itself out as speaking for or representing the Business.
 - v. Your Business is in compliance with SGS' current standards (including but not limited to brand standards) for equipment, point of sale or business management systems, displays and improvements or must be brought into compliance prior to the completion of the transfer to the prospective purchaser;
 - vi. You or the prospective purchaser shall pay to SGS a transfer fee of the greater of \$29,500.00, 60% of our then-current initial franchise fee charged to new franchisees, or the then current transfer fee charged under the then current agreement if we have ceased offering new franchises;
 - vii. You must not, at the time of Your application for consent, be in breach of any of Your obligations to SGS under the terms of this Agreement;
 - viii. payment is made by You of all costs and all obligations by or of You to SGS and any suppliers are discharged without any right of deduction or set-off; and
 - ix. You must execute a general release of SGS in a form satisfactory to SGS, and execute such other transfer documentation as SGS may require.
- D. You shall, as soon as possible, submit to SGS a copy of each written offer or full details of any other offer which You receive from any prospective purchaser to purchase Your Business from You, together with the following information:
- i. a financial statement and the business history of the prospective purchaser; and
 - ii. details of all terms that may have been agreed or proposed between You and the prospective purchaser.
- E. SGS shall, in addition to its other rights under this Agreement, have an option to purchase the Business for the same amount and upon the same terms as the prospective purchaser has offered. In the event of (i) a transfer or assignment of stock, share capital or similar ownership interest or (ii) Your insolvency or bankruptcy, the offer shall be for Your interest in this Agreement, and the equipment, displays and inventory used in the operation of the Business. An amount and terms of purchase under these conditions shall be established by a qualified third party appraiser selected by the parties.

- F. SGS shall have a period of 10 days after receipt of written notice and the information referred to in Section D above, to exercise its option to purchase by notice in writing to You. The sale and purchase shall be completed within 15 days following the service of SGS' Notice.
- G. For the purpose of this Section, any change in Your beneficial ownership of the issued share capital or of Your true control shall be deemed to be an assignment of this Agreement. In addition, in the event of any attempt by You to circumvent the provisions of this Section by selling or transferring all or any portion of the assets of the Business without transferring Your rights under this Agreement, You shall be liable to SGS for damages resulting from a default of the Franchise Agreement, including but not limited to, the full amount of the fee due SGS under Section Fifteen C.(iv) of this Agreement.
- H. In the event of Your death or incapacity, where You are an individual, or in the case that You are a corporation, then in the event of the death or incapacity of the owner, this Agreement will be transferable without additional fee or penalty, provided that the transferee meets SGS' approval, as noted above in this Section Fifteen, which shall not be unreasonably withheld.
- I. SGS reserves the right to sell or assign, in whole or in part, its interest in this Agreement. Any sale or assignment shall inure to the benefit of any assignee or other legal successor.

Sixteen: TERMINATION

- A. SGS may terminate this Agreement by written notice to You without any opportunity to cure if:
 - i. You fail to commence the Business within the period of 90 days from the date of this Agreement;
 - ii. You fail to keep the Business open for business for a consecutive period of 10 days unless this is because of major equipment refurbishment or repair or because of the effects of explosion, flood, fire, natural disaster or for a reason to which SGS has given its prior written consent;
 - iii. in Your franchise application or supporting details You have provided SGS with information which contains any false or misleading statements or omits any material fact which may make any statement misleading;
 - iv. You become insolvent, adjudicated a bankrupt, have a voluntary or involuntary petition in bankruptcy or any other arrangement under the bankruptcy laws filed by or against You, make an assignment for the benefit of creditors, or if a receiver or trustee in bankruptcy is appointed to take charge of Your affairs or property;
 - v. You commence dissolution proceedings or have such proceedings commenced against You;

- vi. You permit a judgment against You to remain unsatisfied or unbonded of record for 30 days;
 - vii. You knowingly maintain false, inaccurate, or incomplete books or records, or knowingly submit false report to SGS;
 - viii. You receive 2 or more prior notices of default hereunder from SGS during any twelve 12 consecutive-month period, notwithstanding that such defaults were cured;
 - ix. You are charged with, plead guilty or no-contest to, or is convicted of a felony;
 - x. You commit any act or are credibly accused of any act that, should it be publicized, is reasonably likely to materially and unfavorably affect the System or the Franchise Network;
 - xi. there shall be a purported or deemed assignment of this Agreement or of the Business other than a sale of the Business under and in accordance with the provisions of Section Fifteen; or
 - xii. SGS suspects, on reasonable grounds, that any material proprietary information concerning SGS' business, the System, or particulars of any communication from SGS to the You is being or has been communicated in any way to any competitor of SGS by You or at Your direction, by any of Your employees, agents or representatives.
- B. In addition to the immediate termination rights set forth in Section Sixteen A, SGS may terminate this Agreement by written notice to You if You neglect or fail to perform any of Your other obligations under this Agreement including failure to pay any amounts due to SGS under this Agreement or any other obligation of Franchisee to SGS or submit reports, or You fail to provide the Services to the standards required by SGS as set out in the Operating Manual, and You fail to remedy such default, neglect or failure to SGS' satisfaction within 10 days after written notice from SGS.
- C. All Your rights under this Agreement shall cease if SGS terminates this Agreement under the provisions of this Section Sixteen.
- D. THIS LICENSE AGREEMENT MAY BE TERMINATED ONLY BY SGS AND NO PROVISION IS MADE IN THIS AGREEMENT FOR THE UNILATERAL TERMINATION OF THIS AGREEMENT BY YOU.

Seventeen: CONSEQUENCES OF TERMINATION

Upon the expiration or sooner termination of this Agreement:

- A. You will immediately discontinue the use of the Trademarks, signs, cards, notices and other display or advertising matter indicative of the Trademarks, or of any association with SGS or of the Business or Products or Services, and will make or cause to be made such changes

in signs, cards, notices and other display or advertising matter, buildings and structures as SGS shall direct so as effectively to distinguish the business from its former public image and marketing image as a Business including but not by way of limitation a change in the colors used. If within 30 days of such direction You fail or omit to make or cause to be made any change, then SGS shall have the power (without incurring any liability to You), without Your consent, save this consent that You give irrevocably, to make or cause to be made any such change, at Your expense, which expense You shall pay on demand. In addition, all items that may have been loaned to You by SGS, including the original and any physical or digital copies of the Operating Manual, shall be returned immediately to SGS at Your expense. You shall also forthwith pay to SGS (without any deduction or right of set-off) all sums of money which may be payable or owing (whether or not then due for payment) from You to SGS or the Fund.

B. You shall further and forthwith:

- i. provide SGS with a list (including names addresses and telephone numbers) of all customers and all customer databases and files including all past invoices, address card-file entries, and business cards; a copy of the customer list may not be sold or otherwise transferred to any person or entity without our written consent; and copies of such information can only be retained by You to the extent needed to file required tax returns and You may not use such information for any other purposes;
- ii. assign to SGS in such form as SGS shall require, the benefit of such contracts with customers as SGS may specify and pay over to SGS any sums received on account of such contracts (without any deduction or right of set off);
- iii. join with SGS in canceling any permitted user of the Trademarks;
- iii. turn over to SGS all intellectual property associated with the Business and the System, including, but not limited to the following:
 - a. any and all confidential information;
 - b. any and all operations manuals;
 - c. any and all materials, whether physical or digital, which display the Trademarks associated with the System; and
 - d. any and all digital assets, including, but not limited to, all digitally-stored content (such as images, photos, videos and text files), whether stored locally at the Business or accessible via the internet, the cloud, or another digital storage device (such as a USB drive or zip drive) or stored with a third-party digital-storage provider (such as GoogleDrive or Dropbox); and all usernames and passwords for any and all email accounts, social networking websites (such as Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, Vimeo, Flickr, Reddit, Snapchat, and WhatsApp), blogs, review websites (such as Yelp or Angie's List), and any other online

communities where the Business created or shared online content, or held itself out as speaking for or representing the Business.

- iv. cease the use of all material of whatever nature of which the copyright is vested in SGS or where its continued use would in any way infringe SGS' copyright;
 - v. cease all use, directly or indirectly, use any of the Trademarks, Confidential Information, or any aspect of the System. You shall not represent Yourself as a present or former SuperGreen Solutions franchisee or in any other way associate Yourself with the System or the Trademarks; and
 - vi. maintain the System and other information relating to the conduct of the Business in strict confidence and secret, and not use, disclose, publish, or otherwise make it available to any third party.
- C. You shall change and, if requested, assign to SGS, any listed telephone numbers, fax numbers, domain names and email address relating to the Business and also execute any and all documentation necessary to assign any such telephone and fax numbers, domain names and email address to SGS. You hereby authorize and irrevocably constitute and appoint as Your attorney-in-fact for such limited purpose SGS to take such actions and to make, execute, and deliver such documents for and on Your behalf as may be required to assign to SGS the right to use and own such telephone and fax numbers, domain names and email address, the foregoing power being a power coupled with an interest, and hereby direct the appropriate telephone company, domain name registry and internet service provider to so transfer the ownership of said numbers, domain names and email address as may be directed by SGS, in accordance with the Assignment of Telephone Numbers, Domain Names and E-Mail Addresses signed herewith, a copy of which form is attached as Schedule B.
- D. You shall not maintain call forwarding telephone number referral with respect to any telephone numbers formerly used in connection with the Business.
- E. Non-compete Covenant:
- i. Upon the transfer, expiration, or termination of this Agreement and for a period of two years thereafter, You shall not, within Your Designated Territory or the designated territory of any other **SuperGreen Solutions** franchisee, be engaged, concerned, or interested in any capacity whatsoever in a business which competes with the **SuperGreen Solutions** Business or any other business within the Franchise Network (except as the holder of not more than 5% of the shares in any company whose shares are listed or dealt in any Stock Exchange or other recognized public market).
 - ii. You shall not, for a period of one year after the transfer, expiration or termination of this Agreement, solicit for business from any person who was, during the period of two years prior to such expiration or termination, a regular customer of or in the habit of dealing with the Business.

- iii. You acknowledge and confirm that the length of the term and geographical restrictions contained in this Section are fair and reasonable and not the result of overreaching, duress, or coercion of any kind. You further acknowledge and confirm that Your full, uninhibited, and faithful observance of each of the covenants contained in this Paragraph will not cause You any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Section will not impair Your ability to obtain employment commensurate with Your abilities and on terms fully acceptable to You, or otherwise to obtain income required for the comfortable support of Your family, and Your satisfaction of the needs of Your creditors. You acknowledge and confirm that Your special knowledge of the business of a **SuperGreen Solutions** business (and anyone acquiring such knowledge through You) is such as would cause SGS and its franchisees serious injury and loss if You (or anyone acquiring such knowledge through You) were to use such knowledge to the benefit of a competitor or were to compete with SGS or any of its franchisees.
 - iv. In the event any court shall finally hold that the time or territory or any other provision stated in this Section constitutes an unreasonable restriction upon You, You agree that the provisions of this Agreement 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.
- F. SGS shall have the option (but not the obligation) to be exercised by providing written notice of intent to do so, within 30 days after the expiration or sooner termination of this Agreement, to purchase any items bearing the Trademarks or other assets owned by You, including, without limitation, any or all signs, advertising materials, supplies, inventory, equipment, furnishings, fixtures, or other items at a price equal to Your cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, a third party independent appraiser shall be designated by SGS whose costs shall be borne equally by the parties, and his or her determination shall be final and binding. The fair market value of tangible assets shall be determined without reference to good will, going concern value, or other intangible assets. If SGS elects to exercise its option to purchase, it 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 to You. Should You fail or refuse to execute and deliver the necessary documents to transfer good title to Your assets to SGS, or its nominee, SGS shall be entitled to apply to any court of competent jurisdiction for a mandatory injunction to compel You to comply with the rights granted in this Agreement. All costs and expenses relating to such litigation, including SGS' reasonable attorneys' fees and costs, shall be payable by You to SGS, upon demand, and may be credited by SGS to the agreed purchase price.
- G. In the event that we terminate this Agreement prior to the expiration of the term due to Your default, then within thirty (30) days of termination you must pay us an amount equal to the greater of: (a) thirty-six (36) times the average of the monthly percentage royalties you were obligated to pay us during each of the 12 complete months prior to termination during which you had operated the Business; or (b) Twenty-Five Thousand Dollars

(\$25,000). You acknowledge and agree that this remedy is a reasonable approximation of the financial losses that we are likely to incur due to your ceasing operation of the Business, and is not a penalty. The existence of this remedy is in addition to our rights to require your compliance with the covenant not to compete and other post-termination obligations, including those identified in Article Seventeen of the Franchise Agreement.

Eighteen: ENTIRE AGREEMENT; FAILURE TO EXERCISE RIGHTS NOT TO BE A WAIVER

- A. You acknowledge:
- i. that You have been told that if there are any pre-contractual statements which You consider have been made to You which have induced You to enter into this Agreement, You are obliged to submit the particulars thereof to SGS so that any misconceptions or misunderstandings can be resolved. In such case, an agreed form of pre-contractual statements upon which You relied on may be annexed to and made part of this Agreement;
 - ii. You have been given the opportunity to provide SGS particulars of any pre-contractual statements which You consider have been made to You which have induced You to enter into this Agreement; and
 - iii. this Agreement therefore contains the entire agreement between the parties and accordingly no pre-contractual statements shall add to or vary this Agreement or be of any force or effect unless such pre-contractual statements are either contained in this Agreement or in an annex to it, and You waive any right You may have to sue for damages and/or rescind this Agreement for any pre-contractual statements not contained in this Agreement or an annex to it. Nothing in this Agreement or any related agreement is intended to disclaim, or shall be considered a waiver of reliance by You of, the representations made in the Disclosure Document or its exhibits or amendments.
- B. In this Section, the expression “pre-contractual statements” includes written or oral pre-contractual statements or agreements, financial statements, profit projections, representations, warranties, inducements or promises whether or not made innocently or negligently.
- C. Your waiver contained in this Section shall be irrevocable and unconditional, but it is expressly provided that such waiver shall not exclude any liability of SGS for pre-contractual statements made by it fraudulently.
- D. No failure of SGS to exercise any power given to it under this Agreement or to insist upon strict compliance by You with any obligation and no custom or practice of the parties at variance with the terms of this Agreement shall constitute any waiver of any of SGS’ rights under this Agreement.
- E. Waiver by SGS of any particular default by You shall not affect or impair SGS’ rights in respect to any subsequent default of any kind by You nor shall any delay or omission of

SGS to exercise any rights arising from any of Your defaults affect or impair SGS' right in respect to said default or any other default of any kind.

Nineteen: INDEPENDENT CONTRACTOR

- A. This Agreement does not create a fiduciary relationship or the relationship of principal and agent between You and SGS. SGS is an independent contractor and, except as expressly permitted under this Agreement for certain rights of SGS, neither You nor SGS will under any circumstances, act or hold itself out as an agent or representative of the other nor incur any liability or create any obligation whatsoever in the name of the other.
- B. You agree to take such affirmative action as may be requested by SGS to indicate that You are an independent contractor, including placing a notice on all stationery, emails, business cards, sales literature, contracts, and similar documents which states that the **SuperGreen Solutions** Business is independently owned and operated by You. The content of such notice is subject to the prior written approval of SGS.
- C. You further agree to take any and all affirmative actions necessary to ensure that at all times Your Manager and staff are conspicuously aware and have knowledge of the proper identity of their employer which is You and not SGS and are also aware that notwithstanding any advice, guidance, standards and specifications provided by SGS to Your Business, SGS is not an employer, co-employer or joint employer with You of Your employees.

Twenty: ACKNOWLEDGEMENTS AS TO ADVICE GIVEN AND OTHER MATTERS

- A. You hereby acknowledge the exclusive right of SGS in and to the System as presently developed or as it may be improved and expanded during the term of this Agreement, including practices, know-how, trade secrets, designs, marks, logos, signs, and slogans presently in use and to be used hereafter.
- B. You understand and acknowledge the importance of SGS' high standards of quality and service and the necessity of operating the business franchised hereunder in strict conformity with SGS' standards and specifications.
- C. You acknowledge that SGS, in giving advice to and assisting You in establishing the Business (including but without prejudice to the generality of the foregoing recommending equipment and materials, and the assessment of Your suitability) bases its advice and recommendations on experience actually obtained in practice and is not making or giving any representations, guarantees or warranties except that its advice is based upon such previous experience as it has and the degree of success or lack of success in its dealings on its own account and with its franchisees. You acknowledge that You have been advised by SGS to discuss Your intention to enter into this Agreement with other franchisees of SGS and Your business advisors and that You must decide on the basis of Your own judgment of what You have been told by SGS or such other franchisees whether or not to enter into this Agreement. You further acknowledge that You recognize that the business venture contemplated by this Agreement involves business risks and that Your success will be affected by Your ability and commitment as an independent businessperson.

- D. Except where the context otherwise requires, each of the restrictions contained in this Agreement and in each Section and Paragraph shall be construed as independent of every other restriction and of every other provision of this Agreement, and the existence of any claim or course of action by You against SGS whatsoever shall not constitute a defense to the enforcement by SGS of said restrictions or of any of them.
- E. It is expressly agreed between the parties hereto that having regard to the recitals and other provisions of this Agreement, each of the restrictive covenants contained in this Agreement and in each Section and Paragraph is reasonably necessary for the protection of SGS, SGS' intellectual property rights and the other franchisees of SGS and does not unreasonably interfere with the freedom of action by You. You acknowledge that You have been advised by SGS to obtain independent legal advice before executing this Agreement, and that You are fully aware of its provisions and accept that they are fair and reasonable in all the circumstances known to or in the contemplation of SGS and You as of the date of this Agreement. In particular, You acknowledge that the provisions of this Agreement relating to the limits on Your right to make deductions or set offs (to which You may claim to be entitled) against payment of Royalties are fair and reasonable. You recognize that Your failure or refusal to make payments of such fees or contributions because of Your dissatisfaction with SGS' performance may result in Your continued involvement in the Franchise Network being subsidized by other franchisees who make payment of such fees and contributions. You also recognize that Your failure to pay such fees and contributions may adversely and materially affect the provision of services to franchisees who are members of the Franchise Network. You accept that the remedies available to You are not affected by the set-off or deduction provisions of this Agreement and the remedies are sufficient for Your purposes including as they do a right to sue for damages.
- F. **YOU SPECIFICALLY ACKNOWLEDGE THAT THERE IS NO SUPERGREEN SOLUTIONS BUSINESS THAT MAY BE CONSIDERED TO BE A "TYPICAL" OR "AVERAGE" BUSINESS. SGS MAKES NO REPRESENTATIONS OR GUARANTEES AS TO NET/GROSS SALES, PROFITS, COSTS OR EARNINGS YOU CAN EXPECT. YOU ARE NOT ENTITLED TO ANY COMPENSATION OR REIMBURSEMENT FOR LOSS OF PROSPECTIVE PROFITS, ANTICIPATED SALES, OR OTHER LOSSES OCCASIONED BY CANCELLATION OR TERMINATION. NO PERSON IS AUTHORIZED TO GIVE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN OR INCORPORATED IN THIS FRANCHISE AGREEMENT.**
- G. You acknowledge that You have received from SGS a Franchise Disclosure Document with all exhibits and supplements thereto, at least 14 days prior to: (i) the execution of this Agreement and every other agreement imposing a binding obligation on You in connection with the sale of a franchise; and (ii) any payment by You of any consideration in connection with the sale, or proposed sale, of a franchise.
- H. You represent to SGS that You (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any competitor, and (iii) are not listed

or “blocked” in connection with, and are not in violation under, any anti-terrorism law, regulation or executive order.

Twenty-One: NO WARRANTIES WITHOUT AUTHORITY

You shall make no statements, representations, or claims and shall give no warranties to any customer or prospective customer in respect to the Products sold by You or the Services or the System or any of them, except such as are implied by law or may have been specifically authorized in writing by SGS.

Twenty-Two: ACTIONS AGAINST FRANCHISEE

In the event any claim, demand, action, or proceeding is brought against You, or if You are notified of any violation of an applicable rule or statute, You will immediately (but in no event later than five days of such notification) notify SGS thereof, giving full particulars, and will diligently and expeditiously defend, compromise, cure, or satisfy such claim, action, demand, proceeding, or violation.

Twenty-Three: ADDITIONAL REMEDIES OF SGS

- A. You recognize that the business franchised hereunder is intended to be one of a large number of businesses identified by the Trademarks in selling to the public the Products and Services associated with the Trademarks, and hence the failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to SGS, and damages at law would be an inadequate remedy. Therefore, You agree that in the event of a breach or threatened breach of any of the terms of the Agreement by You, SGS shall be entitled to seek an injunction restraining such breach and/or decree a specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys’ fees and costs incurred in obtaining said equitable relief. The foregoing equitable remedy shall be in addition to all remedies or rights that SGS may otherwise have by virtue of any breach of this Agreement by You. SGS shall be entitled to seek such relief without the posting of any bond or security, and if a bond shall nevertheless be required by a court of competent jurisdiction, the parties agree that the sum of \$100 shall be a sufficient bond.
- B. SGS shall also be able to seek injunctive relief to prohibit any act or omission by You or Your employees that constitutes a violation of any applicable law, is dishonest or misleading to Your customers of other businesses, or constitutes a danger to Your employees or customers or to the public or which may impair the goodwill associated with the Trademarks.
- C. You expressly consent and agree that SGS may, in addition to any other available remedies, obtain an injunction to terminate or prevent the continuance of any existing default or violation, and/or to prevent the occurrence of any threatened default by You of this Agreement.
- D. SGS reserves the right to discontinue supplies or services upon default. While You are in default or breach of this Agreement, SGS may: (i) require that You pay cash on delivery

for products or services supplied by SGS; (ii) stop selling or providing any products and services to You or suspend its performance of any obligations under this Agreement; and/or (iii) request third-party vendors or suppliers not to sell or supply products or services to You. No such action by SGS shall be a breach or constructive termination of this Agreement, change in competitive circumstance or similarly characterized, and You shall not be relieved of any obligations under this Agreement because of any such action. Such rights of SGS are in addition to any other right or remedy available to SGS.

Twenty-Four: NOTICES

- A. All notices that SGS is required or may desire to give to You under this Agreement may be delivered personally or may be sent by certified mail or registered mail, postage prepaid, addressed to You at either the business premises address, or Your home address as noted in this agreement. All notices which You may be required or desire to give to SGS shall be sent by certified mail or registered mail, postage prepaid, addressed to: Legacy Environmental Solutions, Inc at 16A Bel Air South Parkway Bel Air, MD 21015. The addresses herein given for notices may be changed at any time by either party by written notice given to the other party as herein provided. Notices shall be deemed given upon personal delivery or 2 business days after deposit in the U.S. Mail.
- B. You must provide SGS with immediate written notice of any breach of this Agreement, or any other agreement between You and any of the following parties, that You believe to have been committed or suffered by SGS, its affiliates, or their respective owners, officers, directors, employees, or representatives. Notice of such breaches extends, without limitation, to breaches arising out of, or related to, the negotiation or performance of this Agreement by SGS or concerning misrepresentations or any acts of misfeasance or nonfeasance. If You fail to give SGS written notice within one year from the date of any such breach, then such breach shall be deemed to have been waived by You and, thereupon, You shall be permanently barred from commencing any action relating to such believed breach.

Twenty-Five: DISPUTE RESOLUTION

- A. Except as stated in the succeeding sentence, before you or us filing suit against each other with regard to any controversy or claim arising out of or relating to this Agreement, the business franchised hereunder or the relationship between the parties, a party must submit the controversy or claim to non-binding mediation before the American Arbitration Association in accordance with its Commercial Mediation Procedures, to occur in Harford County, Maryland, in which event both parties shall execute a confidentiality agreement reasonably satisfactory to SGS. This requirement shall not apply if (i) a party files a court action seeking a temporary or preliminary order concerning or arising from termination of the Agreement; or (ii) both parties are sued by an unrelated third party, such as your customer, employee or supplier or another company using a similar business name, and either party files a cross-claim in the case seeking indemnity from the other. Each party will bear its own costs with respect to the mediation, except the fee for the mediator will be split equally. In any mediation pursuant to this paragraph, each party agrees to participate in good faith to seek a negotiated resolution to the dispute; however, if either

party fails or refuses to timely cooperate with the scheduling or proceeding of the mediation, the other party may proceed with litigation.

- B. The parties agree that any claim that this Agreement, or any part thereof, is invalid, illegal, or otherwise void, will be determined exclusively in the Circuit Court in and for Harford County, Maryland, each party waives any objection to the jurisdiction of the Harford County, Maryland courts over them, agrees that, except as to Federal Lanham Act claims, Maryland law will apply to this Agreement and waives any right to objection to the jurisdiction or venue of the Harford County, Maryland courts.
- C. In the event of litigation or arbitration between the parties, the reasonable attorney fees and costs of the prevailing party shall be paid by the non-prevailing party.
- D. The provisions of this Section Twenty-Five shall be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law.
- E. SGS and You (and their respective owners) waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.
- F. This Section shall be deemed to be self-executing and shall remain in full force and effect after the expiration or sooner termination of this Agreement.
- G. You acknowledge and agree that it is the intent of the parties that mediation, arbitration or litigation between SGS and You shall be of SGS' and Your individual claims, and that none of Your claims shall be mediated, arbitrated or litigated on a class-wide basis or on a joined or consolidated claim basis.
- H. Any lawsuit or other legal action arising from or related to this Agreement or the relationship of the parties must be instituted within one year from the date of the conduct or event that forms the basis of the lawsuit or other legal action. The foregoing time limit does not apply to claims by Us (i) related to non-payment of Royalty Fees and other fees under this Agreement by You, (ii) for indemnity under Section 6.V, or (iii) related to unauthorized use of Confidential Information or the Trademarks.

Twenty-Six: MISCELLANEOUS PROVISIONS

- A. This Agreement shall be binding upon the parties hereto, their heirs, successors, and permitted assigns. All persons signing as You shall be jointly and severally liable for its obligations to SGS under this and any other agreements between the parties.
- B. As to any provision in this Agreement wherein approval is required, or modification desired, such approval or modification must be in writing and signed by the party to be charged.

- C. If any portion of this Agreement is declared to be invalid by any court, such determination shall not affect the balance of this Agreement and the same will remain in full force and effect.
- D. The parties acknowledge that a substantial portion of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Harford County, Maryland, and that, therefore, each of the parties irrevocably and unconditionally: (a) agrees that any suit, action or legal proceeding arising out of or relating to the offer, negotiation, performance, validity or interpretation of this Agreement, shall be brought only in the courts of record of the State of Maryland in Harford County; (b) consents to the jurisdiction of each such court in any suit, action or proceeding; (c) waives any objection which he, she or it may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules. Notwithstanding the foregoing, if SGS deems it necessary to commence an action in Your jurisdiction to more fully or expeditiously determine, interpret or protect its rights, it may do so.
- E. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.; Federal Trademark Dilution Act of 1995, 15 USC §§ 1051 et seq.), this Agreement and any other agreement relating to this Agreement and all transactions contemplated by this Agreement and any other agreement relating to this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Maryland without regard to principles of conflicts of laws, provided, however, that any Maryland law for the protection of franchisees (including the Maryland Franchise Registration and Disclosure Law) will not apply unless its jurisdictional requirements are met independently without reference to this Section 26.E.
- F. The captions herein are inserted for convenience only, and will not be deemed or construed to be a part of this Agreement or to define or limit the contents of the paragraph thereof.
- G. You acknowledge that Local, State and Federal law may require the SGS to disclose Your home address in particular circumstances. You agree and give Your consent to use the same.
- H. SGS expressly reserves the right to revise, amend and change from time to time brand and branding standards, its standards, specifications and methods of establishing, developing and operating Businesses and all such revisions, amendments, changes and improvements developed by SGS, You or other franchisees shall become the sole and absolute property of SGS, and SGS shall have the sole and exclusive rights to copyright, patent, register and protect such improvements in SGS's own name, and You agree to abide by and conform to any such changes.
- I. THIS AGREEMENT AND THE SCHEDULES ATTACHED HERETO AND MADE A PART HEREOF CONTAIN THE ENTIRE AGREEMENT OF THE PARTIES. NO OTHER AGREEMENTS, WRITTEN OR ORAL, SHALL BE DEEMED TO EXIST, AND ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, EXCEPT FOR OR OTHER

THAN THOSE CONTAINED IN THE DISCLOSURE DOCUMENT AND ANY ADDENDUMS OR AMENDMENTS THERETO, ARE SUPERSEDED HEREBY. THIS AGREEMENT SHALL NOT BE BINDING UPON SGS UNTIL EXECUTED BY AN AUTHORIZED OFFICER THEREOF. THIS AGREEMENT CANNOT BE MODIFIED OR CHANGED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY ALL OF THE PARTIES HERETO.

NOTHING IN THE AGREEMENT OR IN ANY RELATED AGREEMENT IS INTENDED TO DISCLAIM THE REPRESENTATIONS SGS MADE IN THE FRANCHISE DISCLOSURE DOCUMENT.

THE PARTIES HERETO acknowledge that they have read and fully understand all of the above and foregoing. By signing below, each party agrees to abide by all of the terms and conditions contained in this Agreement.

FRANCHISOR:

LEGACY ENVIRONMENTAL SOLUTIONS, INC.

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

FRANCHISEE:

Signature: _____
Name: _____
Date: _____

(Corporate/LLC Name)

By: _____
Name: _____
Date: _____

SCHEDULE A

BUSINESS MANAGEMENT SOFTWARE

The Business Management Software gives you access to a suite of desktop applications that is designed specifically to be used for office or business use. A separate program is provided to allow for easy project, portfolio and resource management.

TABLET(s)

We supply you with one tablet and keyboard case to be used by you in presentations, quoting jobs and for your Quickbooks accounting, as addressed below.

MARKETING AND PRINTED MATERIALS PACKAGE

A collection of custom printed with your contact information to hand out to your potential clients that give a full explanation of the products and services you provide as a SuperGreen Solutions owner.

ACCOUNTING SOFTWARE

The Accounting Software (QuickBooks) can be used to record monthly sales & expenses, handle payroll, generate business reports and simplify tax filings. We will pay for your first month's subscription only, and you will need to subscribe to the software.

APPAREL PACKAGE

A \$500 Credit towards your initial supply of embroidered SuperGreen Solutions Apparel. This will help with brand awareness of your business.

WEBSITE LAUNCH

The website is completed with a fill form to drive organic leads to your CRM, Keywords to improve SEO on the website, localize title tags and descriptions. We will also create a Google Analytics profile.

LOCAL PRESENCE SETUP AND MANAGEMENT

Our Marketing staff will set up local listings on the top portals and directories, such as Google Plus, Yelp, Bing, and more using the address and phone number that you provide. They will also submit your listing profile details to the primary data aggregators.

SOCIAL MEDIA SET UP

Besides setting up your website, we will also set up your Facebook and Instagram pages and run a small 'like' campaign to generate some initial interest.

BLOGS

We will write and publish monthly blog posts on your website landing page that are localized using keywords and SEO best practices.

PRESS RELEASE

The Marketing department will draft the initial press release for the new franchisee's launch and publish it.

ONLINE COMMUNICATION

Access to our communication portal, which is used to easily find vendors, get product information, communicate with other franchisees and receive internal messages, and download files with the click of a mouse.

EV CHARGING STATION

Includes one demonstration unit that can be used for display at trade shows or to take on a client appointment.

SHIPPING

All shipping is included in the package.

Because we are constantly improving our products and equipment, we reserve the right to revise, change and/or substitute product features, dimensions, specifications and designs without notice. Prices are subject to change without notice.

TOTAL COST OF ALL ITEMS = \$7,900 plus tax.

SCHEDULE B

ASSIGNMENT OF TELEPHONE NUMBERS, DOMAIN NAMES AND EMAIL ADDRESSES

Date: _____

This assignment shall be effective as of the date of termination of the Franchise Agreement entered into between Legacy Environmental Solutions, Inc., d/b/a SuperGreen Solutions ("SGS") and _____ ("Franchisee"). Franchisee hereby irrevocably assigns to SGS or its designee the telephone number or numbers and listings, domain names and email addresses issued to Franchisee with respect to each and all of Franchisee's **SuperGreen Solutions** businesses. Franchisee agrees to pay all amounts, whether due and payable or not, that any domain name registry ("Registry") or internet service provider ("ISP") may require in connection with such transfer. This assignment is for collateral purposes only and SGS shall have no liability or obligation of any kind whatsoever arising from this assignment, unless SGS desires to take possession and control over the telephone numbers, domain names and email addresses.

SGS is hereby authorized and empowered upon termination of the Franchise Agreement and without any further notice to Franchisee to notify the telephone company, as well as any other company that publishes telephone directories ("telephone companies"), the Registry and the ISP to transfer the telephone numbers, domain names and email addresses to SGS or such other person or firm as is designated by SGS. In furtherance thereof, Franchisee hereby grants an irrevocable power of attorney to SGS and appoints SGS as its attorney-in-fact to take any necessary actions to assign the telephone numbers, domain names and email addresses including but not limited to, executing any forms that the telephone companies, the Registry or the ISP may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, the Registry and the ISP and the telephone companies, the Registry and the ISP may accept this assignment and SGS' instructions as conclusive evidence of SGS rights in the telephone numbers, domain names and email addresses and SGS' authority to direct the amendment, termination or transfer of the telephone numbers, domain names and email addresses as if they had originally been issued to SGS. In addition, the Franchisee agrees to hold the telephone companies, the Registry and the ISP harmless from any and all claims against them arising out of any actions or instructions by SGS regarding the telephone numbers, domain names and email addresses.

FRANCHISOR:

LEGACY ENVIRONMENTAL
SOLUTIONS, INC.

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

FRANCHISEE:

Signature: _____
Name: _____
Date: _____

(Corporate/LLC Name)

By: _____
Name: _____
Date: _____

SCHEDULE C

TERRITORY

SCHEDULE D

STATE-SPECIFIC ADDENDA

(attached beginning on next page)

STATE OF ILLINOIS

ADDENDUM TO FRANCHISE AGREEMENT

Illinois law governs the franchise agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Agreed to by:

FRANCHISOR:

LEGACY ENVIRONMENTAL
SOLUTIONS, INC.

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

FRANCHISEE:

Signature: _____
Name: _____
Date: _____

(Corporate/LLC Name)

By: _____
Name: _____
Date: _____

STATE OF OHIO

AMENDMENT TO FRANCHISE AGREEMENT

In recognition of the Ohio Business Opportunity Purchasers Act, codified in Revised Code of Ohio, Title XIII, Chapter 1334 (the "BOPA"), the parties to the attached **LEGACY ENVIRONMENTAL SOLUTIONS, INC.** Franchise Agreement ("Franchise Agreement") agree as follows:

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Franchise Agreement.
2. **Applicability of BOPA.** Franchisee acknowledges that Legacy Environmental Solutions, Inc. is providing this Rider out of an abundance of caution, and that neither the execution of this Rider nor any other act of SuperGreen Solutions Franchise constitutes an intent that BOPA apply to the transaction between SuperGreen Solutions Franchise and Franchisee or an admission by SuperGreen Solutions Franchise that the transaction fails to comply in any material respects with the trade regulation rule of the federal trade commission, "disclosure requirements and prohibitions concerning franchising," 16 C.F.R. 436.1 et seq."
3. **No Delivery of Goods or Services during Cancellation Period.** SuperGreen Solutions Franchise will not commence delivery of any goods or provide any services during the time within which Franchisee may cancel the Agreement as provided in Section 5 below.
4. **Jurisdiction and Venue.** In connection with the sale of the franchise, any provision in the Agreement restricting jurisdiction or venue to a forum outside of Ohio, or requiring the application of laws of another state, is void with respect to a claim otherwise enforceable under Sections 1334.01 to 1334.15 of the BOPA.
5. **Cancellation.** You, the franchisee, may cancel the transaction at any time prior to midnight of the fifth business day after the date you sign this Agreement. See the attached notice of cancellation for an explanation of this right.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR

FRANCHISEE

Legacy Environmental Solutions, Inc.

By _____

By _____

Name Garry McDowall

Name _____

Title Chief Operating Officer

Title _____

OHIO

NOTICE OF CANCELLATION

of SuperGreen Solutions Franchise Agreement dated _____

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the Agreement, and any negotiable instrument executed by you will be returned within ten business days following receipt of your cancellation notice by ("SuperGreen Solutions Franchise"), and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to SuperGreen Solutions Franchise at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of SuperGreen Solutions Franchise regarding the return shipment of the goods at SuperGreen Solutions Franchise's expense and risk. If you do make the goods available to SuperGreen Solutions Franchise and SuperGreen Solutions Franchise does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to SuperGreen Solutions Franchise, or if you agree to return them to SuperGreen Solutions Franchise and fail to do so, then you remain liable for the performance of all obligations under the Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Legacy Environmental Solutions, Inc., at 16A Bel Air South Parkway, Bel Air, Maryland 21015 or an e-mail to SuperGreen Solutions Franchise at mepps@supergreensolutions.com, not later than midnight of *[Insert date that is five business days after the date above]*.

I hereby cancel this transaction.

FRANCHISEE:

[insert company name]

By _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

FINANCIAL STATEMENTS

Legacy Environmental Solutions, Inc.

Audited Financial Statements

December 31, 2022, December 31, 2021, and December 31, 2020

LEGACY ENVIRONMENTAL SOLUTIONS, INC.

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MILBERY & KESSELMAN
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders
Legacy Environmental Solutions, Inc.
Bel Air, MD

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Legacy Environmental Solutions, Inc. (a Delaware corporation), which comprises the balance sheets as of December 31, 2022, December 31, 2021 and December 31, 2020, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legacy Environmental Solutions, Inc. as of December 31, 2022, December 31, 2021 and December 31, 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

MILBERY & KESSELMAN, CPAs, LLC

www.mkcpanfirm.com | 2800 West State Road 84, Suite 105, Fort Lauderdale, Florida 33312 | 954.583.3223

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

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

Milbery & Kesselman, CPAs

Milbery & Kesselman, CPAs, LLC
Fort Lauderdale, Florida
March 21, 2023

Legacy Environmental Solutions, Inc.
Balance Sheets
As of December 31, 2022, December 31, 2021, and December 31, 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 93,044	\$ 394,623	\$ 49,970
Marketable Securities - At Market Value	59,880	-	-
Accounts Receivable (net of Allowance for Doubtful Accounts)	29,906	15,808	36,733
Contract Assets	240,000	87,174	176,469
Inventory	9,190	8,119	-
Promissory Notes	129,100	78,400	26,556
Other Receivable	-	50,000	6,370
Current Portion of Prepaid Expenses	105,000	145,114	150,000
Total Current Assets	<u>666,120</u>	<u>779,238</u>	<u>446,098</u>
Property and Equipment (net of Accumulated Depreciation)	17,152	44,400	-
Other Assets			
Prepaid Expenses, net of current portion	-	105,000	300,000
Security Deposits	6,331	-	-
Operating Lease Right of Use Asset	120,311	-	-
Deferred Tax Asset	514,141	176,018	-
Total Current Assets	<u>640,783</u>	<u>281,018</u>	<u>300,000</u>
TOTAL ASSETS	<u><u>\$ 1,324,055</u></u>	<u><u>\$ 1,104,656</u></u>	<u><u>\$ 746,098</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Accrued Expenses	\$ 80,240	\$ 32,344	\$ 34,365
Contract Liabilities	521,500	347,696	-
Credit Cards Payable	115,830	2,546	-
Current Portion of Long Term Debt	328,413	124,963	150,000
Current Portion of Operating Lease Liability	42,900	-	-
Total Current Liabilities	<u>1,088,883</u>	<u>507,549</u>	<u>184,365</u>
Long Term Liabilities			
Long Term Debt, net of current portion	639,543	377,645	300,000
Operating Lease Liability, net of current portion	80,792	-	-
Total Long Term Liabilities	<u>720,335</u>	<u>377,645</u>	<u>300,000</u>
TOTAL LIABILITIES	<u><u>1,809,218</u></u>	<u><u>885,194</u></u>	<u><u>484,365</u></u>
STOCKHOLDERS' EQUITY			
Common Stock	1	1	1
Additional Paid in Capital	1,163,703	911,430	199,999
Retained Earnings (Deficit)	(1,608,747)	(691,969)	61,733
Accumulated Other Comprehensive Income (Loss)	(40,120)	-	-
Total Stockholders' Equity	<u>(485,163)</u>	<u>219,462</u>	<u>261,733</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 1,324,055</u></u>	<u><u>\$ 1,104,656</u></u>	<u><u>\$ 746,098</u></u>

See accompanying independent auditor's report and notes to financial statements
3

Legacy Environmental Solutions, Inc.
Statements of Income and Retained Earnings
For the years ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Income			
Franchise Fees	\$ 240,600	\$ 34,385	\$ -
Product	705,786	12,696	-
Royalties	152,859	115,097	-
Other Income	41,068	17,016	-
Total Income	1,140,313	179,194	-
Cost of Goods Sold	180,010	19,081	-
Gross Profit	<u>\$ 960,303</u>	<u>\$ 160,113</u>	<u>\$ -</u>
Expenses			
Advertising	303,375	160,862	-
Automobile	13,573	4,377	-
Bad Debt	1,000	222,071	-
Bank Service Charges	1,860	414	30
Charitable Contributions	11,100	2,700	-
Computer and Software	61,406	8,219	-
Depreciation	11,639	4,208	-
Dues and Subscriptions	87,215	45,919	-
Insurance	33,297	62,553	-
Leasing Costs	41,974	10,340	-
Licensing and Registrations	4,357	34,798	-
Meals and Entertainment	5,691	5,942	-
Office	31,462	9,537	-
Outside Services	290,219	105,883	-
Payroll	1,136,434	391,869	-
Professional Fees	74,247	83,802	4,000
Repair and Maintenance	-	721	-
Taxes	-	56	7,026
Telephone	1,299	408	-
Travel	55,330	26,669	-
Total Expenses	2,165,478	1,181,348	11,056
Net Loss before Other Income	<u>\$ (1,205,175)</u>	<u>\$ (1,021,235)</u>	<u>\$ (11,056)</u>
Other Income (Expenses)			
Interest Expense	(45,576)	(23,060)	-
Other Income	-	91,139	89,199
Loss on Sale of Asset	(2,829)	-	-
Total Other Income (Expenses)	(48,405)	68,079	89,199
Net Income (Loss) before Income Taxes	<u>\$ (1,253,580)</u>	<u>\$ (953,156)</u>	<u>\$ 78,143</u>
Income Tax	(336,802)	(199,454)	16,410
Net Income (Loss)	<u>\$ (916,778)</u>	<u>\$ (753,702)</u>	<u>\$ 61,733</u>
Retained Earnings (Deficit), Beginning	(691,969)	61,733	-
Retained Earnings (Deficit), Ending	<u>\$ (1,608,747)</u>	<u>\$ (691,969)</u>	<u>\$ 61,733</u>

See accompanying independent auditor's report and notes to financial statements
4

Legacy Environmental Solutions, Inc.
Statements of Cash Flows
For the years ended December 31, 2022, December 31, 2021, and December 31, 2020

	2022	2021	2020
Cash Flows from Operating Activities			
Net Income (Loss)	\$ (916,778)	\$ (753,702)	\$ 61,733
Adjustments to Reconcile Net Income (Loss) to Net Cash provided (used) in Operations:			
Depreciation	11,639	4,208	-
Loss on Sale of Asset	2,829	-	-
Deferred income taxes	(338,123)	(176,018)	-
Decrease (Increase) in Accounts Receivable	(14,098)	20,925	(36,733)
Decrease (Increase) in Contract Assets	(152,826)	89,295	(176,469)
Decrease (Increase) in Inventory	(1,071)	(8,119)	-
Decrease (Increase) in Promissory Notes	(50,700)	(51,844)	(26,556)
Decrease (Increase) in Other Receivable	50,000	(43,630)	(6,370)
Decrease (Increase) in Prepaid Expenses	145,114	199,886	(450,000)
Decrease (Increase) in Security Deposits	(6,331)	-	-
Decrease (Increase) in Operating Lease Right of Use Asset	(120,311)	-	-
Increase (Decrease) in Accounts Payable	-	(4,000)	-
Increase (Decrease) in Accrued Expenses	47,896	25,415	34,365
Increase (Decrease) in Contract Liabilities	173,804	347,696	-
Increase (Decrease) in Credit Cards Payable	113,284	2,546	-
Increase (Decrease) in Operating Lease Liability	123,692	-	-
Increase (Decrease) in Income Taxes Payable	-	(23,436)	-
Cash provided (used) in Operating Activities	(931,980)	(370,778)	(600,030)
Cash Flows from Investing Activities			
Acquisition of Property and Equipment	(2,938)	(48,608)	-
Proceeds from Sale of Assets	15,718	-	-
Marketable Securities	(100,000)	-	-
Cash provided (used) in Investing Activities	(87,220)	(48,608)	-
Cash Flows from Financing Activities			
New Borrowings:			
Short Term	100,082	19,963	150,000
Long Term	399,918	272,645	300,000
Debt Reduction:			
Short Term	103,368	(45,000)	-
Long Term	(138,020)	(195,000)	-
Proceeds from issuance of stock	252,273	711,431	200,000
Cash provided (used) in Financing Activities	717,621	764,039	650,000
Increase (Decrease) in Cash	(301,579)	344,653	49,970
Beginning Balance	394,623	49,970	-
Ending Balance	\$ 93,044	\$ 394,623	\$ 49,970

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year:

Interest	\$ 13,289	\$ 16,113	\$ -
Income Taxes	\$ -	\$ -	\$ -

See accompanying independent auditor's report and notes to financial statements
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Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of business

Legacy Environmental Solutions, Inc. (the "Company"), a Delaware Corporation was formed on November 25, 2020 and are headquartered in Bel Air, Maryland. Operations started on January 1, 2021. The Company sells franchises that allow the purchaser to operate a Supergreen Solutions business, which offers sustainability advisory services, energy auditing, sustainability planning, energy efficient products, and other related products and services.

The Company has elected a year end of December 31.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, they reflect all significant receivables, payable, and other liabilities.

Cash concentration

The Company maintains its cash in two bank accounts which, at times, may exceed the federally-insured limits. The Company has not experienced any loss in such accounts. The Company believes it is not exposed to any significant credit risk on such accounts.

Accounts receivable

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to such receivables that are more than 30 days past due.

Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

Initial franchise fees are recognized as revenue when services required under the franchise agreement have been performed by the Company. Franchise royalty revenues are based on franchisees' sales and are recognized as earned. Product and equipment revenue is recorded when legal title is transferred to the customer, generally when the product is shipped.

Credit risk

The Company performs on-going credit evaluations of each franchisee's financial condition. Accounts receivables are principally with franchises that are secured under the franchise agreements. The franchise agreements provide the Company with certain collateral, including inventory and fixed assets. Consequently, risk of loss is considered minimal.

Inventory

Inventory is stated at the lower of cost or market value, and consists of supplies and finished goods.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Property and equipment

Property and equipment is stated at cost. Depreciation is computed by the straight-line method over the following estimated useful lives:

	Years
Vehicles	5
Software	3

Advertising

Advertising primarily consist of the outside costs related to lead development. Advertising costs are expensed as incurred and were \$303,375 for the year ended December 31, 2022, \$160,862 for the year ended December 31, 2021, and \$0 for the year ended December 31, 2020.

Income taxes

The Company has elected to be taxed as a corporation for federal income tax purposes.

The Company accounts for income taxes and the related accounts under the liability method. Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the basis differences reverse.

Leases

The Company recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Company is a lessee in several operating leases for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, we use our incremental borrowing rate based on the information available at the commencement date for all leases. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company has elected, for all underlying class of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. We recognize lease cost associated with our short-term leases on a straight-line basis over the lease term.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13 Financial Instruments, Measurement of Credit Losses on Financial Instruments (Topic 326). The main objective of this update is to replace the incurred loss impairment methodology under current GAAP, with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Trade receivables that management has the intent and ability to hold for the foreseeable future until payoff shall be reported in the balance sheet at outstanding principal adjusted for any charge-offs and the allowance for credit losses (no longer referred to as the allowance for doubtful accounts).

In November 2018, the FASB issued ASU 2018-19 to clarify and improve areas of guidance related to Topic 326. In April 2019, the FASB issued ASU 2019-04 to clarify and improve areas of guidance related to Topic 326. In May 2019, the FASB issued ASU 2019-05 to provide transition relief related to Topic 326. In November 2019, the FASB issued ASU 2019-10 which updated the effective date related to Topic 326 and ASU 2019-11 to clarify and address stakeholders' specific issues related to Topic 326. ASU 2016-13 and the related amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. Management is currently evaluating the impact that the adoption of ASU 2016-13 will have on the Company's financial statements.

In March 2020, the FASB issued ASU 2020-03, Codification Improvements to Financial Instruments. This ASU improves and clarifies various financial instrument topics, including the current expected credit losses standard issued in 2016. The ASU includes seven different issues that describe the areas of improvement and the related amendments to GAAP, intended to make the standards easier to understand and apply by eliminating inconsistencies and providing clarifications. The amendments have different effective dates ranging from fiscal years beginning after December 15, 2019 to 2023.

The adoption of the provisions of ASU 2020-03 with effective dates in 2021 did not have a material impact on the Company's financial statements. Management is currently evaluating the impact that the adoption of ASU 2020-03 that have effective dates in 2021 through 2023 will have on the Company's financial statements.

Related parties

For the purposes of these financial statements, parties are considered to be related to the Company where the Company and the party are subject to common control and/or common joint control. Related parties may be individuals or other entities.

Going concern

The Company evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern for a period of one year after the date that the financial statements are available to be issued, taking into consideration the quantitative and qualitative information regarding the Company's current financial condition, conditional and unconditional obligations due and the funds and cash flow necessary to maintain operations within that time period. Based on management's evaluation, the Company will be able to continue in operation on a going concern basis for at least the next twelve months from the date these financial statements were available to be issued.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Date of management's review

Management evaluated events or transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through March 21, 2023, which is the date the financial statements were available for issuance.

Note 2 Cash and Cash Equivalents

The Company maintains cash balances at two financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2022, the Company had uninsured cash balances of \$0. At December 31, 2021, the Company had uninsured cash balances of \$144,623. At December 31, 2020, the Company had uninsured cash balances of \$0. The Company has not experienced any losses to date as a result of this policy.

Note 3 Accounts Receivable

Accounts receivable at December 31, 2022, 2021, and 2020 consisted of the following:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 29,906	\$ 15,808	\$ 36,733
Allowance for doubtful accounts	<u>(-)</u>	<u>(-)</u>	<u>(-)</u>
	<u>\$ 29,906</u>	<u>\$ 15,808</u>	<u>\$ 36,733</u>

The bad debt deducted for the year ended 2022 was \$1,000. The bad debt deducted for the year ended 2021 was \$222,071. The bad debt deducted for the year ended 2020 was \$0.

Note 4 Property and Equipment

Property and equipment as of December 31, 2022, 2021, and 2020 consisted of the following:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Vehicles	\$ -	\$ 20,608	\$ -
Software	28,000	28,000	\$ -
Office equipment	2,938	28,000	\$ -
Less: accumulated depreciation	<u>(13,786)</u>	<u>(4,208)</u>	<u>-</u>
	<u>\$ 17,152</u>	<u>\$ 44,400</u>	<u>\$ -</u>

Depreciation as of December 31, 2022 is \$11,639.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 5 Promissory Notes

The Company has promissory notes receivable with various franchisees. The notes are non-interest bearing and are fully collectible in 2023.

Note 6 Long Term Debt

Long term debt of the Company consists of the following at December 31, 2022:

Note payable to an entity, payable in three annual installments in varying amounts, including interest at 5.00% per annum, through December, 2023, unsecured by collateral.	\$ 210,000
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Note payable to an entity, payable in annual installments of interest only for the first three years and principal and interest for the final four years, including interest at 6.00% per annum, through November, 2028, unsecured by collateral.	125,000
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Note payable to an equity owner, payable in seven annual installments of \$28,369, including interest at 7.55% per annum, through July, 2028, unsecured by collateral.	132,956
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Note payable to an entity, payable in monthly installments of principal and interest of \$18,973, including interest at 6.00% per annum, through December, 2025, unsecured by collateral.	<u>500,000</u>
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Total debt	967,956
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Less: current portion	<u>(328,413)</u>
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Total long term portion	<u>\$ 639,543</u>
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The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 6 Long Term Debt (Continued)

The following is a summary of principal maturities of long term debt:

For the year ending December 31,	
2023	\$ 328,413
2024	229,092
2025	240,247
2026	53,065
2027	56,653
Thereafter	<u>60,486</u>
Total	<u>\$ 967,956</u>

Note 7 Leases

The Company has obligations as a lessee for office space with initial non-cancelable terms in excess of one year. The Company classified these leases as operating leases. These leases generally contain renewal options for periods ranging from one to five years. Because the Company is not reasonably certain to exercise these renewal options, the optional periods are not included in determining the lease term, and associated payments under these renewal options are excluded from lease payments. The Company's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments.

The components of leasing costs for the period ended December 31, 2022 are as follows:

Operating Lease Costs	\$ 25,140
Short Term Leasing Costs	<u>16,834</u>
Total Leasing Costs	<u>\$ 41,974</u>

Note 8 Income Taxes

The provision (benefit) for income taxes is comprised of:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Deferred federal	\$ (240,698)	\$ (141,711)	\$ -
Deferred state of Maryland	<u>(96,104)</u>	<u>(57,743)</u>	<u>-</u>
	<u>\$ (336,802)</u>	<u>\$ (199,454)</u>	<u>\$ -</u>

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 9 Revenue Recognition in Accordance with FASB ASC 606

Contract balances

Contract balances from contracts with customers were as follows:

	2022	2021	2020
Contract assets	\$ 240,000	\$ 87,174	\$ 176,469
Contract liabilities	521,500	347,696	-

Disaggregation of revenue

The Company derives its revenues primarily from the sale of franchises. Revenue from performance obligations satisfied at a point in time consists of franchise fees, royalties, and other income. Revenue from performance obligations satisfied over time consists of the sale of master licenses and renewal franchise fees.

Performance obligations

For performance obligations related to the franchise fees, control transfers to the customer at a point in time. Revenues are recognized when the franchisee training is completed and the equipment is delivered.

For performance obligations related to royalties and other income, control transfers to the customer at a point in time. Royalty revenues are recognized monthly based on the monthly sales from the franchisees.

For performance obligations related to master licenses and renewal franchise fees, control transfers to the customer over time. Revenues are recognized over the term of the contract.

Significant judgments

The Company sells franchises for an agreed upon contract amount. For fixed fee contracts, the Company is entitled to payment upon signing of the franchise agreement and recognizes the revenues when the performance obligations have been met.

Note 10 Other Income

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Company was eligible for a refundable employee retention credit subject to certain criteria. During the 2021 year, the Company recognized a \$91,139 employee retention credit, which is included in Other Income in the statement of income and retained earnings, and \$91,139 is included in Payroll costs in the statement of income and retained earnings. As of December 31, 2021, the Company has a \$50,000 receivable balance from the United States government related to the CARES Act, which is recorded in Other Receivable on the Company's Balance Sheet.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 11 Related Party Transactions

Borrowings with related party – During the years ended December 31, 2022 and 2021, the Company entered into two loan agreements with related entities (equity owners) whereby \$650,000 was loaned to the Company (Note 6). For the year ending December 31, 2022, related party balances included long term debt of \$632,956. For the year ending December 31, 2021, related party balances included long term debt of \$150,000.

Note 12 Fair Value

Financial Accounting Standards Board (FASB) ASC Topic 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The Company adopted changes made by Accounting Standards Update (ASU) 2011-04, Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which expands the disclosures, required for fair value accounting and clarifies the measurement of fair value when used in valuing certain assets and liabilities.

Fair value measurements are segregated into those that are recurring and nonrecurring. Recurring fair value measurements of assets and liabilities of those that are required or permitted in the statement of financial position at the end of each reporting period related to assets such as trading securities, securities available for sale, and private venture-capital equity investments.

Nonrecurring fair value measurements of assets and liabilities are required or permitted in the statement of financial position in particular circumstances such as when the company measures long-lived assets and goodwill for impairment, or assets and liabilities of business combination recorded at fair value at the acquisition date.

The three levels of inputs in the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include: a) quoted prices for similar assets or liabilities in active markets, b) quoted prices for identical or similar assets and liabilities in active markets, c) inputs other than quoted prices that are observable for the asset or liability, and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 12 Fair Value (Continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value Measurement at December 31, 2022						
	Total Carrying Amount 12/31/22	Fair Value Estimate 12/31/22	Assets or Liabilities Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Inputs Other than Quoted Prices that are Observable (Level 2)	Significant Unobservable Inputs (Level 3)
Trading Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Securities - Other	59,880	59,880	59,880	59,880	-	-
Total Trading Securities	<u>\$ 59,880</u>	<u>\$ 59,880</u>	<u>\$ 59,880</u>	<u>\$ 59,880</u>	<u>\$ -</u>	<u>\$ -</u>

Note 13 Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020 the *World Health Organization* designated the coronavirus outbreak a pandemic. Management continues to evaluate and monitor the potential adverse effect that this event may have on the Company's financial position, operations, and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Audited Financial Statements

December 31, 2021

LEGACY ENVIRONMENTAL SOLUTIONS, INC.

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MILBERY & KESSELMAN
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders
Legacy Environmental Solutions, Inc.
Bel Air, MD

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Legacy Environmental Solutions, Inc. (a Delaware corporation), which comprises the balance sheet as of December 31, 2021, and the related statement of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legacy Environmental Solutions, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

MILBERY & KESSELMAN, CPAs, LLC

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Legacy Environmental Solutions, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Legacy Environmental Solutions, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Milbery & Kesselman, CPAs, LLC
Fort Lauderdale, Florida
February 2, 2022

Legacy Environmental Solutions, Inc.
Balance Sheet
December 31, 2021

ASSETS

Current Assets		
Cash and Cash Equivalents	\$	394,623
Accounts Receivable (net of Allowance for Doubtful Accounts)		15,808
Contract Assets		87,174
Inventory		8,119
Note Receivable		78,400
Other Receivable		50,000
Current Portion of Prepaid Expenses		145,114
Total Current Assets		779,238
 Property and Equipment (net of Accumulated Depreciation)		 44,400
Other Assets		
Prepaid Expenses, net of current portion		105,000
Deferred Tax Asset		176,018
Total Current Assets		281,018
 TOTAL ASSETS		 \$ 1,104,656

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES		
Current Liabilities		
Accrued Expenses	\$	32,344
Contract Liabilities		347,696
Credit Cards Payable		2,546
Current Portion of Long Term Debt		124,963
Total Current Liabilities		507,549
 Long Term Liabilities		
Long Term Debt, net of current portion		377,645
 TOTAL LIABILITIES		 885,194
 STOCKHOLDERS' EQUITY		
Common Stock		1
Additional Paid in Capital		911,430
Retained Earnings (Deficit)		(691,969)
Total Stockholders' Equity		219,462
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		 \$ 1,104,656

See accompanying independent auditor's report and notes to financial statements

Legacy Environmental Solutions, Inc.
Statement of Income and Retained Earnings
For the year ended December 31, 2021

Income	
Franchise Fees	\$ 34,385
Product	12,696
Royalties	115,097
Other Income	17,016
Total Income	<u>179,194</u>
Cost of Goods Sold	19,081
Gross Profit	<u>\$ 160,113</u>
Expenses	
Advertising	160,862
Automobile	4,377
Bad Debt	222,071
Bank Service Charges	414
Charitable Contributions	2,700
Computer and Software	8,219
Depreciation	4,208
Dues and Subscriptions	45,919
Insurance	62,553
Licensing and Registrations	34,798
Meals and Entertainment	5,942
Office	9,537
Outside Services	105,883
Payroll	391,869
Professional Fees	83,802
Rent	10,340
Repair and Maintenance	721
Taxes	56
Telephone	408
Travel	26,669
Total Expenses	<u>1,181,348</u>
Net Loss before Other Income	<u>\$ (1,021,235)</u>
Other Income (Expenses)	
Interest Expense	(23,060)
Other Income	91,139
Total Other Income (Expenses)	<u>68,079</u>
Net Loss before Income Taxes	<u>\$ (953,156)</u>
Income Tax	(199,454)
Net Loss	<u>\$ (753,702)</u>
Retained Earnings, January 1, 2021	61,733
Retained Earnings (Deficit), December 31, 2021	<u>\$ (691,969)</u>

See accompanying independent auditor's report and notes to financial statements

Legacy Environmental Solutions, Inc.
Statement of Cash Flows
For the year ended December 31, 2021

Cash Flows from Operating Activities	
Net Loss	\$ (753,702)
Adjustments to Reconcile Net Loss to Net Cash used in Operations:	
Depreciation	4,208
Deferred income taxes	(176,018)
Decrease in Accounts Receivable	20,925
Decrease in Contract Assets	89,295
Increase in Inventory	(8,119)
Increase in Note Receivable	(51,844)
Increase in Other Receivable	(43,630)
Decrease in Prepaid Expenses	199,886
Decrease in Accounts Payable	(4,000)
Increase in Accrued Expenses	25,415
Increase in Contract Liabilities	347,696
Increase in Credit Cards Payable	2,546
Decrease in Income Taxes Payable	(23,436)
Cash used in Operating Activities	<u>(370,778)</u>
Cash Flows from Investing Activities	
Acquisition of Property and Equipment	<u>(48,608)</u>
Cash used in Investing Activities	(48,608)
Cash Flows from Financing Activities	
New Borrowings:	
Short Term	19,963
Long Term	272,645
Debt Reduction:	
Short Term	(45,000)
Long Term	(195,000)
Proceeds from issuance of stock	<u>711,431</u>
Cash provided by Financing Activities	764,039
 Increase in Cash	 <u>344,653</u>
Beginning Balance, January 1, 2021	<u>49,970</u>
Ending Balance, December 31, 2021	<u><u>\$ 394,623</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year:

Interest	<u>\$ 16,113</u>
Income Taxes	<u>\$ -</u>

See accompanying independent auditor's report and notes to financial statements

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of business – Legacy Environmental Solutions, Inc. (the “Company”), a Delaware Corporation was formed on November 25, 2020 and are headquartered in Bel Air, Maryland. Operations started on January 1, 2021. The Company sells franchises that allow the purchaser to operate a Supergreen Solutions business, which offers sustainability advisory services, energy auditing, sustainability planning, energy efficient products, and other related products and services.

The Company has elected a year end of December 31.

Basis of accounting – The financial statements have been prepared on the accrual basis of accounting. Accordingly, they reflect all significant receivables, payable, and other liabilities.

Cash concentration - The Company maintains its cash in one bank account which, at times, may exceed the federally-insured limits. The Company has not experienced any loss in such accounts. The Company believes it is not exposed to any significant credit risk on such accounts.

Accounts receivable - Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to such receivables that are more than 30 days past due.

Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition - Initial franchise fees are recognized as revenue when services required under the franchise agreement have been performed by the Company. Franchise royalty revenues are based on franchisees’ sales and are recognized as earned. Product and equipment revenue is recorded when legal title is transferred to the customer, generally when the product is shipped.

Credit risk - The Company performs on-going credit evaluations of each franchisee’s financial condition. Accounts receivables are principally with franchises that are secured under the franchise agreements. The franchise agreements provide the Company with certain collateral, including inventory and fixed assets. Consequently, risk of loss is considered minimal.

Inventory - Inventory is stated at the lower of cost or market value, and consists of supplies and finished goods.

Property and equipment - Property and equipment is stated at cost. Depreciation is computed by the straight-line method over the following estimated useful lives:

	Years
Vehicles	5
Software	3

The accompanying independent auditor’s report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Advertising – Advertising primarily consist of the outside costs related to lead development. Advertising costs are expensed as incurred and were \$160,862 for the year ended December 31, 2021.

Income taxes – The Company has elected to be taxed as a corporation for federal income tax purposes.

The Company accounts for income taxes and the related accounts under the liability method. Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the basis differences reverse.

Recent accounting pronouncements – In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases, (ASC Topic 842) which amends the existing guidance to require lessees to recognize lease assets and lease liabilities from operating leases on the balance sheet and affects certain financial statement disclosure requirements for both lessees and lessors. In addition, the FASB issued ASU 2018-10 and ASU 2018-11 in July 2018 to clarify and correct unintended application of guidance in ASC Topic 842. In March 2019, the FASB issued ASU 2019-01 to assist stakeholders with potential implementation issues that could arise as organizations implement ASC Topic 842. In November 2019, the FASB issued ASU 2019-10 which updated the effective date related to ASC Topic 842. In June 2020, the FASB issued ASU 2020-05 which updated the effective date related to ASC Topic 842. The amendments in these updates are generally effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Management is currently evaluating the impact that the adoption of ASU 2016-02 and the related amendments will have on the Company's financial statements.

Related parties – For the purposes of these financial statements, parties are considered to be related to the Company where the Company and the party are subject to common control and/or common joint control. Related parties may be individuals or other entities.

Going concern – The Company evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern for a period of one year after the date that the financial statements are available to be issued, taking into consideration the quantitative and qualitative information regarding the Company's current financial condition, conditional and unconditional obligations due and the funds and cash flow necessary to maintain operations within that time period. Based on management's evaluation, the Company will be able to continue in operation on a going concern basis for at least the next twelve months from the date these financial statements were available to be issued.

Subsequent events – Management evaluated events or transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through February 2, 2022, which is the date the financial statements were available for issuance.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 2 Cash and Cash Equivalents

The Company maintains cash balances at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2021, the Company had uninsured cash balances of \$144,623. The Company has not experienced any losses to date as a result of this policy.

Note 3 Accounts Receivable

Accounts receivable at December 31, 2021 consisted of the following:

Accounts Receivable	\$ 15,808
Allowance for doubtful accounts	<u>(-)</u>
	<u>\$ 15,808</u>

The bad debt deducted for the year ended 2021 was \$222,071.

Note 4 Property and Equipment

Property and equipment as of December 31, 2021 consisted of the following:

Vehicles	\$ 20,608
Software	<u>28,000</u>
	48,608
Accumulated depreciation	<u>(4,208)</u>
	<u>\$ 44,400</u>

Depreciation as of December 31, 2021 is \$4,208.

Note 5 Note Receivable

The Company has a note receivable with a franchisee. The note is non-interest bearing and is fully collectible in 2022.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 6 Long Term Debt

Long term debt of the Company consists of the following at December 31, 2021:

Note payable to an entity, payable in three annual installments in varying amounts, including interest at 5.00% per annum, through December, 2023, unsecured by collateral.	\$ 210,000
Note payable to a financial institution, payable in monthly installments of \$333, including interest at 4.95% per annum, through January, 2027, collateralized by a vehicle	17,608
Note payable to an entity, payable in annual installments of interest only for the first three years and principal and interest for the final four years, including interest at 6.00% per annum, through November, 2028, unsecured by collateral.	125,000
Note payable to an equity owner, payable in seven annual installments of \$28,369, including interest at 7.55% per annum, through July, 2028, unsecured by collateral.	<u>150,000</u>
Total debt	502,608
Less: current portion	<u>(124,963)</u>
Total long term portion	<u>\$ 377,645</u>

The following is a summary of principal maturities of long term debt:

For the year ending December 31,	
2022	\$ 124,963
2023	126,670
2024	23,223
2025	53,391
2026	56,937
Thereafter	<u>117,424</u>
Total	<u>\$ 502,608</u>

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 7 Income Taxes

The provision (benefit) for income taxes is comprised of:

Deferred federal	(\$ 141,711)
Deferred state of Maryland	<u>(57,743)</u>
Provision (benefit) for income tax expense	<u>(\$ 199,454)</u>

Note 8 Revenue Recognition in Accordance with FASB ASC 606

Contract balances

Contract balances from contracts with customers were as follows as of December 31, 2021:

Contract assets	\$ 87,174
Contract liabilities	347,696

Disaggregation of revenue

The Company derives its revenues primarily from the sale of franchises. Revenue from performance obligations satisfied at a point in time consists of franchise fees, royalties, and other income. Revenue from performance obligations satisfied over time consists of the sale of master licenses and renewal franchise fees.

Performance obligations

For performance obligations related to the franchise fees, control transfers to the customer at a point in time. Revenues are recognized when the franchisee training is completed and the equipment is delivered.

For performance obligations related to royalties and other income, control transfers to the customer at a point in time. Royalty revenues are recognized monthly based on the monthly sales from the franchisees.

For performance obligations related to master licenses and renewal franchise fees, control transfers to the customer over time. Revenues are recognized over the term of the contract.

Significant judgments

The Company sells franchises for an agreed upon contract amount. For fixed fee contracts, the Company is entitled to payment upon signing of the franchise agreement and recognizes the revenues when the performance obligations have been met.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 9 Other Income

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Company was eligible for a refundable employee retention credit subject to certain criteria. During the 2021 year, the Company recognized a \$91,139 employee retention credit, which is included in Other Income in the statement of income and retained earnings, and \$91,139 is included in Payroll costs in the statement of income and retained earnings. As of December 31, 2021, the Company has a \$50,000 receivable balance from the United States government related to the CARES Act, which is recorded in Other Receivable on the Company’s Balance Sheet.

Note 10 Leases

The Company signed a lease for its office building commencing on January 1, 2021 and expiring on December 31, 2021. As of January 1, 2022, the lease converted to a month-to-month lease. Rental expense for the year ended December 31, 2021 was \$10,340.

Note 11 Related Party Transactions

Borrowings with related party – During the year ended December 31, 2021, the Company entered into a loan agreement with a related entity (equity owner) whereby \$150,000 was loaned to the Company (Note 6).

Note 12 Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020 the *World Health Organization* designated the coronavirus outbreak a pandemic. Management continues to evaluate and monitor the potential adverse effect that this event may have on the Company’s financial position, operations, and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

The accompanying independent auditor’s report should be read with these notes

Legacy Environmental Solutions, Inc.

Audited Financial Statements

December 31, 2020

Legacy Environmental Solutions, Inc.
Balance Sheet
December 31, 2020

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 49,970
Accounts Receivable (net of Allowance for Doubtful Accounts)	36,733
Contract Assets	176,469
Note Receivable	26,556
Other Receivable	6,370
Current Portion of Prepaid Expenses	150,000
Total Current Assets	<u>446,098</u>
Other Assets	
Prepaid Expenses, net of current portion	300,000
TOTAL ASSETS	<u><u>\$ 746,098</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 4,000
Accrued Expenses	6,929
Income Tax Payable	23,436
Current Portion of Long Term Debt	150,000
Total Current Liabilities	<u>184,365</u>
Long Term Liabilities	
Long Term Debt, net of current portion	300,000
TOTAL LIABILITIES	<u><u>484,365</u></u>
STOCKHOLDERS' EQUITY	
Common Stock	1
Additional Paid in Capital	199,999
Retained Earnings	61,733
Total Stockholders' Equity	<u>261,733</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 746,098</u></u>

See accompanying independent auditor's report and notes to financial statements

Legacy Environmental Solutions, Inc.
Statement of Income and Retained Earnings
For the period ended December 31, 2020

Income	
Franchise Fees	\$ -
Cost of Goods Sold	-
Gross Profit	<u>\$ -</u>
Expenses	
Bank Service Charges	30
Professional Fees	4,000
Taxes	<u>7,026</u>
Total Expenses	11,056
Net Loss before Other Income	<u>\$ (11,056)</u>
Other Income	
Gain on Bargain Purchase	89,199
Net Income before Income Taxes	<u>\$ 78,143</u>
Income Tax Expense	16,410
Net Income	<u>\$ 61,733</u>
Retained Earnings, November 25, 2020	-
Retained Earnings, December 31, 2020	<u><u>\$ 61,733</u></u>

See accompanying independent auditor's report and notes to financial statements

Legacy Environmental Solutions, Inc.
Statement of Cash Flows
For the period ended December 31, 2020

Cash Flows from Operating Activities	
Net Income	\$ 61,733
Adjustments to Reconcile Net Income to Net Cash used in Operations:	
Increase in Accounts Receivable	(36,733)
Increase in Contract Assets	(176,469)
Increase in Note Receivable	(26,556)
Increase in Other Receivable	(6,370)
Increase in Prepaid Expenses	(450,000)
Increase in Accounts Payable	4,000
Increase in Accrued Expenses	6,929
Increase in Income Taxes Payable	23,436
Cash used in Operating Activities	<u>(600,030)</u>
Cash Flows from Investing Activities	
Cash provided by Investing Activities	-
Cash Flows from Financing Activities	
New borrowings:	
Short Term	150,000
Long Term	300,000
Proceeds from issuance of stock	200,000
Cash provided by Financing Activities	<u>650,000</u>
 Increase in Cash	 <u>49,970</u>
Beginning Balance, November 25, 2020	<u>-</u>
Ending Balance, December 31, 2020	<u><u>\$ 49,970</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year:

Interest	<u>\$ -</u>
Income Taxes	<u>\$ -</u>

See accompanying independent auditor's report and notes to financial statements

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of business – Legacy Environmental Solutions, Inc. (the “Company”), a Delaware Corporation was formed on November 25, 2020 and are headquartered in Bel Air, Maryland. Operations started on January 1, 2021. The Company sells franchises that allow the purchaser to operate a Supergreen Solutions business, which offers sustainability advisory services, energy auditing, sustainability planning, energy efficient products, and other related products and services.

The Company has elected a year end of December 31.

Basis of accounting – The financial statements have been prepared on the accrual basis of accounting. Accordingly, they reflect all significant receivables, payable, and other liabilities.

Cash concentration - The Company maintains its cash in one bank account which, at times, may exceed the federally-insured limits. The Company has not experienced any loss in such accounts. The Company believes it is not exposed to any significant credit risk on such accounts.

Accounts receivable - Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to such receivables that are more than 30 days past due.

Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition - Initial franchise fees are recognized as revenue when services required under the franchise agreement have been performed by the Company. Franchise royalty revenues are based on franchisees’ sales and are recognized as earned. Product and equipment revenue is recorded when legal title is transferred to the customer, generally when the product is shipped.

Credit risk - The Company performs on-going credit evaluations of each franchisee’s financial condition. Accounts receivables are principally with franchises that are secured under the franchise agreements. The franchise agreements provide the Company with certain collateral, including inventory and fixed assets. Consequently, risk of loss is considered minimal.

Income taxes - The Company has elected to be taxed as a corporation for federal income tax purposes.

The Company accounts for income taxes and the related accounts under the liability method. Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the basis differences reverse.

The accompanying independent auditor’s report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Adoption of new accounting standard - In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective November 25, 2020, the first day of the Company's fiscal year using the modified retrospective approach.

As part of the adoption of the ASU, the Company elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

The impact of applying this ASU for the period ended December 31, 2020 resulted in no adjustment to the financial statements.

Subsequent events - Management evaluated events or transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through February 16, 2021, which is the date the financial statements were available for issuance.

Note 2 Cash and Cash Equivalents

The Company maintains cash balances at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2020, the Company didn't have any uninsured cash balances.

Note 3 Accounts Receivable

Accounts receivable at December 31, 2020 consisted of the following:

Franchise fees receivable	\$ 517,472
Allowance for doubtful accounts	<u>(304,270)</u>
	<u>\$ 213,202</u>

The bad debt deducted for the year ended 2020 was \$0.

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 4 Note Receivable

The Company has a note receivable with a franchisee. The note is non-interest bearing and is fully collectible in 2021.

Note 5 Long Term Debt

Long term debt of the Company consists of the following at December 31, 2020:

Note payable to an entity, payable in three annual installments in varying amounts, including interest at 5.00% per annum, through December, 2023, unsecured by collateral.	\$ 450,000
Less: current portion	<u>(150,000)</u>
Total long term portion	<u>\$ 300,000</u>

The following is a summary of principal maturities of long term debt:

For the year ending December 31,	
2021	\$ 150,000
2022	150,000
2023	<u>150,000</u>
Total	<u>\$ 450,000</u>

Note 6 Business Combination

On December 30, 2020 the Company purchased 100% of the assets of Greener Energy, LLC pursuant to a contract for asset purchase and sale. The following table summarizes the consideration paid of \$150,000, and the fair value of the assets acquired at the acquisition date:

Accounts Receivable, net	\$ 213,202
Notes Receivable	26,556
Sales Tax Payable	(559)
Gain on Bargain Purchase	<u>(89,199)</u>
Purchase Price	<u>\$ 150,000</u>

As part of the acquisition, the Company paid \$150,000 at closing.

The accompanying independent auditor's report should be read with these notes

Legacy Environmental Solutions, Inc.

Notes to Financial Statements

Note 7 Income Taxes

The provision (benefit) for income taxes is comprised of:

Current federal	\$ 16,410
Deferred federal	<u>-</u>
Provision for income tax expense	<u>\$ 16,410</u>

Note 8 Revenue Recognition in Accordance with FASB ASC 606

Contract balances

Contract balances from contracts with customers were as follows as of December 31, 2020:

Contract assets	\$ 176,469
Contract liabilities	-

Disaggregation of revenue

The Company derives its revenues primarily from the sale of franchises. Revenue from performance obligations satisfied at a point in time consists of franchise fees, royalties, and other income. Revenue from performance obligations satisfied over time consists of the sale of master licenses and renewal franchise fees.

Performance obligations

For performance obligations related to the franchise fees, control transfers to the customer at a point in time. Revenues are recognized when the franchisee training is completed and the equipment is delivered.

For performance obligations related to royalties and other income, control transfers to the customer at a point in time. Royalty revenues are recognized monthly based on the monthly sales from the franchisees.

For performance obligations related to master licenses and renewal franchise fees, control transfers to the customer over time. Revenues are recognized over the term of the contract.

Significant judgments

The Company sells franchises for an agreed upon contract amount. For fixed fee contracts, the Company is entitled to payment upon signing of the franchise agreement and recognizes the revenues when the performance obligations have been met.

The accompanying independent auditor's report should be read with these notes
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EXHIBIT C

TABLE OF CONTENTS FOR OPERATING MANUAL

INTRODUCTION	7 PAGES
MARKETING.....	37 PAGES
OPERATIONS.....	111 PAGES
SALES.....	19 PAGES
TECHNOLOGY	60 PAGES
COMPLIANCE.....	3 PAGES
TOTAL PAGES.....	238 PAGES

*Operations manual is subject to revisions and updates throughout the fiscal year.

EXHIBIT D

AGENTS FOR SERVICE OF PROCESS / STATE ADMINISTRATORS

CALIFORNIA

California Department of Financial Protection
and Innovation
State of California
320 West 4th Street, Suite 750
Los Angeles, California 90013-1105
Telephone: 213-576-7500

Commissioner of the Department of
Financial Protection and Innovation
State of California
320 West 4th Street, Suite 750
Los Angeles, California 90013-1105
Telephone: 213-576-7500

DELAWARE

Agents and Corporations, Inc.
1201 Orange St., Ste 600
One Commerce Center
Wilmington, DE 19801

HAWAII

Commissioner of Securities of the State of
Hawaii
335 Merchant Street
Room 205
Honolulu, Hawaii 96813

ILLINOIS

Attorney General State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Agent for Service of Process
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

State Administrator
Securities Commissioner
Indiana Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204

MARYLAND

Agent to Receive Process
Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

State Authority
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN

Consumer Protection Division
Attn.: Franchise
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, Michigan 48933

MINNESOTA

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East
Suite 280
St. Paul, Minnesota 55101

NEW YORK

Agent to Receive Process
Secretary of State
State of New York
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001

State Administrator
New York State Department of Law
Bureau of Investor Protection and Securities
28 Liberty St. 21st Floor
New York, New York 10005

NORTH DAKOTA

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, North Dakota 58505
Telephone: (701) 328-4712

RHODE ISLAND

Rhode Island Department of Business
Regulation
Securities Section
Building 68-2
1511 Pontiac Avenue
Cranston, Rhode Island 02920

SOUTH DAKOTA

Division of Insurance
Securities Regulation

124 South Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

Agent to Receive Process
Clerk of the State Corporation Commission
Tyler Building, 1st Floor
1300 E. Main Street
Richmond, Virginia 23219

State Administrator
State Corporation Commission
Division of Securities and Retail Franchise
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Director
Department of Financial Institutions
Securities Division
150 Israel Rd S.W.
Tumwater, Washington 98501

WISCONSIN

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way
Madison, WI 53705

EXHIBIT E

LIST OF CURRENT FRANCHISEES

As of January 1, 2023:

See Table on Next Page

SGS Domestic Franchise	Phone Number	Address
Joint Legacy Investments - Bel Air, MD (contact : Matt Krimm)	(443) 961-4396	16A Bel Air South Pkwy. Bel Air, MD 21015
Daniel Hancock - Charleston, SC	(843) 790-4365	1089 Pinefield Dr. Charleston, SC 29492
John & Emily Long, & Don Simmons - Jacksonville, FL	(904) 656-7135	12574 Flagler Center Blvd. Jacksonville, FL 32258
James & Robyn Hall - Winston Salem, NC	(336) 577-3335	6220 Hackers Bend Ct. Suite E Winston-Salem, NC 27103
Gregg Pierson - Central, KY	(859) 948-2949	107 Grayson Way Georgetown, KY 40324
Keyoor & Rajal Mankad - Orlando, FL	(321) 326-6826	3801 Avalon Park E. Blvd. Orlando, FL 32828
Brad Meacham - Phoenix, AZ	(602) 831-0073	2266 South Dobson Road Mesa, AZ 85202
Jean Leclerc - South Portland, ME	(603) 239-3286	68 Fern Park Ave. Old Orchard Beach, ME 04064
Karl Moltimer - South West Palm Beach, FL	(305) 701-4121	6412 Melaleuca Lane Green Acres, FL 33463

New Not Started SGS Domestic Franchise	Phone Number	Address
M7 Holdings - Cincinnati, OH (contact: Anthony Manna Jr.)	(513) 278-5080	220 Mill Street Milford, OH 45150
M7 Holdings - Cleveland, OH (contact: Anthony Manna, Jr.)	(216) 270-7017	75 East Market Street Akron, OH 44308

EXHIBIT F

LIST OF TERMINATED, CANCELLED OR NOT RENEWED FRANCHISEES

The following franchisees had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

Basel Almashat - Laguna Hills, CA	Laguna Hills, CA, 92653 (949) 916-6670
Ron Mealey - Des Moines, IA	Clive, IA 50325 (515) 249-4996
John Traub - Glenview, IL	Glenview, IL 60026 (847) 902-9004
Bryan Pax – Ellicott City, MD	Ellicott City, MD, 21043 (240) 602-3332
Reginald Vanlonden – St. Cloud, MN	St. Cloud, MN 56301 (320) 380-5033
Sean Vieira – Austin, TX	Leander, TX 78641 (703) 981-6242
Curt Nuenighoff – Henrico, VA	Henrico, VA 23233 (540) 239-9235

EXHIBIT G
GENERAL RELEASE AGREEMENT

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (“Agreement”) is made between **Legacy Environmental Solutions, Inc.**, a Delaware Corporation d/b/a **SuperGreen Solutions** (hereinafter referred to as the “Franchisor”) and _____ whose business is located at _____ (hereinafter referred to as the “Franchisee”).

INTRODUCTION

The Franchisor and the Franchisee entered into a Franchise Agreement (the “original Franchise Agreement”) dated _____, pursuant to which the Franchisor granted the Franchisee a franchise or license (the “Franchise”) to operate a franchise business (the “Franchise Business”).

A. The parties desire to terminate the original Franchise Agreement on the terms and conditions set forth in this Agreement.

B. This Agreement has been supported by full and adequate consideration, receipt of which is hereby acknowledged by both the Franchisee and the Franchisor.

The parties agree as follows:

1. **Termination of Franchise Agreement.** The parties agree that, subject to Section 3 hereof, the original Franchise Agreement and all obligations of the Franchisee and Franchisor under or arising from the original Franchise Agreement are hereby terminated.

2. **Mutual General Releases.** Subject to Section 3 hereof, the Franchisee, for itself and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns, does hereby release and forever discharge the Franchisor and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns from all causes of action, suits, debts, covenants, agreements, damages, judgments, claims and demands whatsoever, in law or equity, which the Franchisee ever had, now has, or hereinafter can, shall or may have from the beginning of the world to the date of this Agreement, for, upon, or by reason of any matter, cause or thing whatsoever, including, without limitation, arising out of or in connection with, directly or indirectly, the original Franchise Agreement, the Franchisor’s offer, sale or negotiation of the Franchise, the relationship of the parties arising therefrom, or the Franchisor’s conduct in obtaining and entering into agreements.

Subject to Section 3 hereof, the Franchisor, for itself and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns, does hereby release and forever discharge the Franchisee and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns from all causes of action, suits, debts, covenants, agreements, damages, judgments, claims and demands whatsoever, in law or equity, which the Franchisor ever had, now has, or hereinafter can, shall or may have from the beginning of the world to the date of this Agreement, for, upon, or by reason of any matter, cause or thing whatsoever, including, without limitation, arising out of or in connection with, directly or indirectly, the original Franchise Agreement.

3. **Post-Term Covenants; Special Stipulation.** The termination and release provided in this Agreement shall have no effect on those obligations of the Franchisee (and its owners and guarantors, if any) arising out of the original Franchise Agreement or any other agreement which otherwise expressly or by their nature survive the termination of the original Franchise Agreement, including, without limitation, obligations pertaining to the Franchisee’s indemnification obligations and non-disclosure of the Franchisor’s confidential information. In addition, all obligations of the parties, if any, in the original

Franchise Agreement pertaining to mediation, litigation and arbitration of disputes and jurisdiction and venue for dispute resolution, shall apply with equal force to the terms and conditions of this Agreement, as if set forth herein. Such obligations shall continue in full force and effect in accordance with their terms subsequent to termination of the original Franchise Agreement and until they are satisfied or by their nature expire. The Franchisee acknowledges and agrees it has no right, title or interest in and to the trademarks associated with Franchisor's franchise system, including, without limitation, "SuperGreen Solutions", and any colorable imitation thereof. The Franchisee represents it has returned (or turned over) all intellectual property associated with the Franchise Business and Franchisor's franchise system to Franchisor (or a Successor Franchisee, if applicable) which is acknowledged to belong exclusively to Franchisor including, but not limited to, all materials containing confidential information, operations manuals, customer lists, customer databases, customer records, customer files and any materials which display the trademarks associated with the Franchise system. Franchisee agrees to return and turn over to Franchisor all digital assets, including, but not limited to, all digitally-stored content (such as images, photos, videos and text files), whether stored locally at the business or accessible via the internet, the cloud, or another digital storage device (such as a USB drive or zip drive) or stored with a third-party digital-storage provider (such as GoogleDrive or Dropbox); and all usernames and passwords for any and all email accounts, social networking websites (such as Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, Vimeo, Flickr, Reddit, Snapchat, and WhatsApp), blogs, review websites (such as Yelp or Angie's List), and any other online communities where the Franchise Business created or shared online content, or held itself out as speaking for or representing the Franchise Business. Franchisee acknowledges and agrees it has no right, title or interest in and to the intellectual property associated with the Franchise Business or the Franchise system and no right to retain physical copies, disclose or make further use of such intellectual property, except with regard to customer records for tax purposes.

4. **Confidentiality.** It is acknowledged by the Franchisee that the terms of this Agreement are in all respects confidential in nature, and that any disclosure or use of the same by the Franchisee may cause serious harm or damage to the Franchisor, and its owners and officers. Therefore, the Franchisee agrees, either directly or indirectly by agent, employee, or representative, not to disclose the termination, this Agreement or the information contained herein, either in whole or in part, to any third party, except as may be required by law.

5. **Non-Disparagement.** The parties agree that at no time will they make any derogatory statements about or otherwise disparage, defame, impugn or damage the reputation of integrity of the others, provided that nothing in this paragraph will preclude any party from providing truthful information in response to compulsory legal process. The parties further agree not to, and to, use their best efforts to cause any of the parties' agents, employees or affiliates not to, disparage or otherwise speak or write negatively, directly or indirectly, of the parties' brands, systems, or any other service-marked or trademarked concept of the parties or the parties' affiliates, or which would subject such brands, systems or concepts to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of the parties or their brands, systems or service-marked or trademarked concepts.

6. **Binding Effect.** All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, heirs, successors, and permitted assigns.

7. **Interpretation.** Each of the parties acknowledge that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the execution of this Agreement and all of the other documents executed incidental hereto, if any, and, therefore, the parties agree that none of the provisions of this Agreement or any of the other documents should be construed against any party more strictly than against the other.

8. **Entire Agreement.** This Agreement, including any Schedules attached hereto (which are considered a part of this Agreement), represent the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersede all other negotiations, understandings and representations if any made by and between the parties.

9. **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.; Federal Trademark Dilution Act of 1995, 15 USC §§ 1051 et seq.), this Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Maryland without regard to principles of conflicts of laws.

10. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Confirmation of execution by telex, telecopy facsimile or digital signature page shall be binding upon any party so confirming or telecopying.

11. **Effectiveness of Agreement.** This Agreement shall not be effective until it has been signed by the Franchisee and the Franchisor and delivered fully executed to the Franchisee and the Franchisor.

THE UNDERSIGNED have read, fully understand, and, by executing below, agree to the terms and conditions of this Agreement.

FRANCHISOR:

LEGACY ENVIRONMENTAL
SOLUTIONS, INC.

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

FRANCHISEE:

Signature: _____
Name: _____
Date: _____

(Corporate/LLC Name)

By: _____
Name: _____
Date: _____

ATTACHMENT A TO GENERAL RELEASE AGREEMENT

ADDITIONAL TERMS AND CONDITIONS **FOR TRANSFER AND ASSUMPTION OF FRANCHISE**

The Franchisee desires to transfer its rights to operate its SuperGreen Solutions franchise operated under the original Franchise Agreement (the “SuperGreen Solutions Business”) to a successor franchisee, _____ (“Successor Franchisee”). The Successor Franchisee desires to continue operating such SuperGreen Solutions Business pursuant to a Successor Franchise Agreement with Franchisor. The terms and conditions of this Schedule “A” supplement the terms and conditions of the foregoing General Release Agreement of which this Schedule forms a part.

The parties agree that the foregoing recitals are true and correct, and for good and valuable consideration, the receipt of which is acknowledged by each of the parties, the parties agree as follows:

1. **Transfer.** Effective as of the date of this Agreement, the Franchisee does hereby bargain, sell, assign, convey, and transfer all of Franchisee’s rights to the Successor Franchisee to operate the SuperGreen Solutions Business, pursuant to the Successor Franchise Agreement and any related written agreements between the Successor Franchisee and Franchisor. Subject to the terms of such Successor Franchise Agreement and related written agreements with Franchisor, the Successor Franchisee hereby accepts and assumes the rights and obligations of the Franchisee to operate the SuperGreen Solutions Business. If for any reason the sale of Franchisee’s business to Successor Franchisee is not completed, the General Release Agreement will be deemed null and void and Franchisee shall continue to operate the SuperGreen Solutions Business under the terms of the original Franchise Agreement. Unless otherwise provided in a written agreement between Franchisee and Successor Franchisee, the Franchisee, during the period from the date hereof to the final closing date of the sale of the SuperGreen Solutions Business to the Successor Franchisee, shall operate the SuperGreen Solutions Business for his/her own account.

2. **Successor Agreements and Payments.** The Successor Franchisee is hereby delivering to Franchisor its duly signed Successor Franchise Agreement and any related agreements that may be required as a result of this transaction under the original Franchise Agreements. The Successor Franchise Agreement means the current standard form of Franchise Agreement required by the Franchisor, subject to any modifications consented to in writing by Franchisor. The Successor Franchisee is also hereby delivering to Franchisor a transfer fee in the amount of \$29,500. No initial franchise fee shall be due under the Successor Franchise Agreement from the Successor Franchisee.

3. **Consents, Subordination and Acknowledgments.** The Franchisor consents to the transfer to and assumption by the Successor Franchisee in accordance with this Agreement. Such consent does not constitute approval of, nor agreement with, any of the provisions of any agreement (other than this Agreement) between the Franchisee and Successor Franchisee. The Franchisee and Successor Franchisee specifically acknowledge that the Franchisor is not a party to any such agreements. The Franchisee agrees that its rights, pursuant to any agreements with the Successor Franchisee, are subject to and subordinate in all respects to Franchisor’s rights under the Successor Franchise Agreement and all related agreements, if any, between the Franchisor and Successor Franchisee, including all renewals, modifications, and extensions, if any, to such agreements. The Successor Franchisee agrees that its rights concerning the Franchisor exist pursuant only to the written agreements entered between the Franchisor and Successor Franchisee, and in the event of any conflict with the terms of this Agreement, except regarding the waiver of the payment of an initial franchise fee, the terms of such other agreements shall control. The Successor Franchisee acknowledges that it has received and reviewed the General Release Agreement of which this Attachment A forms a part. The Successor Franchisee further acknowledges that, except as expressly provided in this Agreement, the Franchisor has no liability with respect to, related to, or arising out of, any

transaction between the Franchisee and Successor Franchisee, and releases, indemnifies and holds the Franchisor harmless from same.

FRANCHISOR:

LEGACY ENVIRONMENTAL
SOLUTIONS, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

Signature: _____

Name: _____

Date: _____

(Corporate/LLC Name)

By: _____

Name: _____

Date: _____

SUCCESSOR FRANCHISEE:

Signature: _____

Name: _____

Date: _____

(Corporate/LLC Name)

By: _____

Name: _____

Date: _____

EXHIBIT H

EMPLOYEE NON-COMPETITION AND CONFIDENTIALITY AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

THIS NONDISCLOSURE AND NONCOMPETITION AGREEMENT (this “Agreement”) made as of the ____ day of _____, 20____, (“Effective Date”) is by and between _____, (“FRANCHISEE”) d/b/a a SuperGreen Solutions franchise (the “SuperGreen Solutions Franchise”), Legacy Environmental Solutions, Inc., a Delaware company (“COMPANY”) d/b/a SuperGreen Solutions and _____ a resident of the State of _____ (“INDIVIDUAL”) (collectively, the “Parties”).

WITNESSETH:

WHEREAS, FRANCHISEE is a party to that certain franchise agreement dated _____ (the “Franchise Agreement”) by and between FRANCHISEE and COMPANY; and

WHEREAS, FRANCHISEE desires INDIVIDUAL to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, FRANCHISEE is required by the Franchise Agreement to have INDIVIDUAL execute this Agreement prior to providing INDIVIDUAL access to said Trade Secrets and other Confidential Information; and

WHEREAS, INDIVIDUAL understands the necessity of not disclosing any such information to any other party or using such information to compete against COMPANY, FRANCHISEE or any other franchisee of COMPANY in any business (i) that offers or provides services or products the same as or similar to those provided by FRANCHISEE or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of FRANCHISEE, or COMPANY, any affiliate of COMPANY or COMPANY’s other franchisees (hereinafter the “Competitive Business,” as more particularly described below);

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the Parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

INDIVIDUAL acknowledges and understands FRANCHISEE possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a “Trade Secret” is information in any form (including, but not limited to, materials and techniques, technical or nontechnical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords and lists of actual or potential customers or suppliers) related to or used in the development and/or operation of SuperGreen Solutions franchises that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement, “Confidential Information” means technical and nontechnical information used in or related to the development and/or operation of SuperGreen Solutions franchises that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the operating manual and training guides and materials. In addition, any other information identified as confidential when delivered by FRANCHISEE shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of INDIVIDUAL; (ii) INDIVIDUAL can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure by FRANCHISEE pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by COMPANY or FRANCHISEE as “Trade Secrets” or “Confidential Information” shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve INDIVIDUAL of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. INDIVIDUAL understands FRANCHISEE’s providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between INDIVIDUAL and FRANCHISEE with respect to the Trade Secrets and other Confidential Information.

d) For the purposes of this Agreement, a “Competitive Business” is any business which provides one of more of the following services: sustainability advisory services; energy auditing; sustainability planning; and/or energy efficient products.

e) The term “Competitive Business” shall not apply to any business operated by FRANCHISEE under a Franchise Agreement with COMPANY.

2. Confidentiality/NonDisclosure

a) INDIVIDUAL shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of FRANCHISEE, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, INDIVIDUAL must take all steps reasonably necessary and/or requested by COMPANY and FRANCHISEE to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. INDIVIDUAL must comply with all applicable policies, procedures and practices that COMPANY and FRANCHISEE have established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) INDIVIDUAL’s obligations under paragraph 2(a) of this Agreement shall continue in effect after termination or expiration of INDIVIDUAL’s relationship with FRANCHISEE, regardless of the reason or reasons for termination or expiration, and whether such termination or expiration is voluntary or involuntary, and FRANCHISEE and/or COMPANY are entitled to communicate INDIVIDUAL’s obligations under this Agreement to any future customer or employer to the extent deemed necessary by FRANCHISEE and/or COMPANY for protection of their rights hereunder and

regardless of whether INDIVIDUAL or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in an SuperGreen Solutions Business.

3. NonCompetition

a) During the term of INDIVIDUAL's relationship with FRANCHISEE and for a period of two (2) years after the expiration or termination of INDIVIDUAL's relationship with FRANCHISEE, regardless of the cause of expiration or termination, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or customer of FRANCHISEE to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with COMPANY's trademark "SuperGreen Solutions" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as COMPANY designates to be used in connection with SuperGreen Solutions franchises.

b) During the term of INDIVIDUAL's relationship with FRANCHISEE, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business anywhere within the United States or any other International Country without the express written consent of FRANCHISEE and COMPANY.

c) For a two (2) year period following the term of INDIVIDUAL's relationship with FRANCHISEE, regardless of the cause of termination, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business within the Designated Marketing Area of FRANCHISEE's SuperGreen Solutions Franchise or within the Designated Marketing Area of any other SuperGreen Solutions franchise without the express written consent of FRANCHISEE and COMPANY.

d) During the term of INDIVIDUAL's relationship with FRANCHISEE and for a period of two (2) years thereafter, regardless of the cause of termination, INDIVIDUAL shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any other SuperGreen Solutions franchise or franchisee to compete against, terminate or modify his, her or its business relationship with COMPANY.

4. Reasonableness of Restrictions

INDIVIDUAL acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of FRANCHISEE, COMPANY, and COMPANY's Trade Secrets and other Confidential Information, COMPANY's business system, network of franchises and trade and service marks, and INDIVIDUAL waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then INDIVIDUAL shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, NonSolicitation and NonCompetition

a) INDIVIDUAL further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause FRANCHISEE and COMPANY immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, FRANCHISEE and COMPANY shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by INDIVIDUAL of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that FRANCHISEE and COMPANY may have at law or in equity.

b) In addition, in the event of a violation of the covenants contained in the Agreement, the Parties agree that damages for such violations would be difficult to quantify. Due to the difficulty in the quantification of resulting damages, the Parties agree that COMPANY would be entitled to liquidated damages in the amount of at least \$85,500 per event of violation.

6. Miscellaneous

a) This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between INDIVIDUAL, COMPANY and FRANCHISEE with respect to the subject matter hereof. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the Parties.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Maryland (without reference to its conflict of laws principles). References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

c) **Any action brought by any of the Parties, shall only be brought in the appropriate state court located in or serving HARFORD COUNTY, MARYLAND. The Parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may also be brought by COMPANY or FRANCHISEE where FRANCHISEE is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the Parties to confirm or enforce judgments or awards in any appropriate jurisdiction.**

d) INDIVIDUAL agrees if any legal proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorneys' fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees, taxes, costs and expenses incident to appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

e) This Agreement shall be effective as of the Effective Date and shall be binding upon the successors and assigns of INDIVIDUAL and shall inure to the benefit of FRANCHISEE and COMPANY and their subsidiaries, successors and assigns.

f) The failure of any Party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of the other Parties with respect thereto shall continue in full force and effect.

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

i) This Agreement may be modified or amended only by a written instrument duly executed by INDIVIDUAL, FRANCHISEE and COMPANY.

j) The existence of any claim or cause of action INDIVIDUAL might have against FRANCHISEE or COMPANY will not constitute a defense to the enforcement by FRANCHISEE or COMPANY of this Agreement.

k) Except as otherwise expressly provided in this Agreement, no remedy conferred upon FRANCHISEE or COMPANY pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

INDIVIDUAL CERTIFIES THAT INDIVIDUAL HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT

CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

IN WITNESS WHEREOF, FRANCHISEE and COMPANY have hereunto caused this Agreement to be executed by its duly authorized officer, and INDIVIDUAL has executed this Agreement, all being done in triplicate originals with one (1) original being delivered to each Party.

FRANCHISEE:

By:_____

INDIVIDUAL:

Signature:_____

Name Printed: _____

COMPANY:

By:_____

Its:_____

EXHIBIT I

DISCLOSURE DOCUMENT ADDENDA

STATE SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT

STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. The Item number corresponds to those in the main body.

Item 17 g. and h. of the Disclosure Document entitled “RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION” is amended by adding the following language:

The conditions under which a franchise can be terminated and rights upon non-renewal may be affected by the Illinois Franchise Disclosure Act, Sections 19 and 20.

Item 17(v) of the Disclosure Document entitled “CHOICE OF FORUM” and Item 17(w) of the Disclosure Document entitled “CHOICE OF LAW” are amended to add the following language:

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

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

EXHIBIT J

INFORMATION ABOUT AREA REPRESENTATIVES

Jacksonville, FL and suburbs:

Johnathan Long, Emily Long, and Donald Simmons signed an Area Representative Agreement for Jacksonville, Florida and its suburbs in September 2021. Their company, SLI Energy Solutions, signed a SuperGreen Solutions Franchise Agreement for Jacksonville, FL in September 2021. Donald Simmons has also been President of Simmons Capital Group in Clifton Park, NY since 1994. Johnathan was a project estimator for Oceaneering MSD in Chesapeake, VA from December 2019 to November 2021. He was a Cost Analyst for HII – NNS in Newport News, VA from September 2014 to November 2019. Emily Long was a teacher for VBCPS in Virginia Beach, Virginia from August 2019 to August 2020.

Orlando, FL and suburbs:

Keyoor Mankad and Rajal Mankad signed an Area Representative Agreement for Orlando, Florida and its suburbs in November 2021. Keyoor Mankad also signed a SuperGreen Solutions Franchise Agreement for Orlando, Florida in November 2021. Keyoor Mankad was Founder and President of My Equity Comp in Gold River, California from September 2005 to May 2020. Rajal Mankad was Managing Partner of My Equity Comp in Gold River, California from October 2006 to May 2021, and has been a Consulting Manager with Morgan Stanley in Sacramento, California since May 2021.

Ohio, Indiana, Illinois, Michigan, Kentucky, and Pennsylvania:

M7 Holdco Inc. has signed a multistate Area Representative agreement that includes markets in Ohio, Indiana, Illinois, Michigan, Kentucky, and Pennsylvania. This agreement signed in December 2022 with the first locations opened in Cleveland, Ohio and Cincinnati, Ohio in March 2023. M7 Holdco Inc. is a well-established and well-respected company based out of Akron, Ohio with holdings in multiple business segments. M7 Holdco Inc. SuperGreen Area Representative Franchise will be led by Rhonda Gaskill. Rhonda was the VP of Franchise Systems Operations & Development for LEI Window Enhancements, Cincinnati, OH from February 2021 to December 2022. VP of Franchise Development, Fresh Coat Franchising, Cincinnati, OH from April 2019 to October 2020. Regional Operations Manager for American Driveline Systems, Inc., Cincinnati, OH from April 2018 to April 2019. Franchisee Development Representative for Line – X, LLC. Huntsville, AL from February 2004 to April 2018.

EXHIBIT K

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:

Hawaii	
Illinois	
Indiana	
Michigan	
Minnesota	
New York	

EXHIBIT L
DISCLOSURE DOCUMENT RECEIPT

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Legacy Environmental Solutions, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Legacy Environmental Solutions, Inc does not deliver this disclosure document on time, or if it contains a false or misleading statement, or 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, or to your state agency listed in Exhibit D.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

Michael Epps	16A Bel Air South Parkway, Bel Air, MD 21015, (410) 348-1565
Garry McDowall	16A Bel Air South Parkway, Bel Air, MD 21015, (410) 995-7759

Issuance Date: March 31, 2023

I received a disclosure document dated March 31, 2023, that included the following Exhibits:

- | | |
|---|--|
| A. Franchise Agreement | G. General Release Agreement |
| B. Financial Statements | H. Compliance Certification |
| C. Table of Contents for Operating Manual | I. Non-Competition and Confidentiality Agreement |
| D. Agents for Service of Process | J. Addenda to Disclosure Document |
| E. List of Current Franchisees | K. Information About Area Representatives |
| F. List of Terminated, Cancelled or Not Renewed Franchisees | L. State Effective Dates |

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Legacy Environmental Solutions, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Legacy Environmental Solutions, Inc does not deliver this disclosure document on time, or if it contains a false or misleading statement, or 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, or to your state agency listed in Exhibit D.

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| F. List of Terminated, Cancelled or Not Renewed Franchisees | L. State Effective Dates |

Signature: _____

Print Name: _____

Date Received: _____

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