FRANCHISE DISCLOSURE DOCUMENT

Outdoor Lighting Perspectives Franchising, Inc.
a North Carolina corporation
2924 Emerywood Parkway, Suite 101
Richmond, VA 23294
1-800-722-4668
franchiseinfo@outdoorlivingbrands.com
www.outdoorlivingbrands.com
www.outdoorlightingfranchise.com
www.outdoorlights.com

The Franchisee will operate an outdoor lighting design and installation service and sales business ("Outdoor Lighting Business"). We also offer franchises for Outdoor Lighting Businesses in a smaller territory ("Micro Market Franchise").

The total investment necessary to begin operation of an Outdoor Lighting Business is $61,675 to $133,050, including the $13,825 to $47,500 that must be paid to the franchisor. The total investment necessary to begin operation of a Micro Market Franchise is $40,350 to $~~105,050,~~105,550, including $7,000 to $28,000 that must be paid to the Franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Rich Young at 2924 Emerywood Parkway, Suite 101, Richmond, VA 23294 and (800) 722-4668.

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 an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. Information comparing franchisors is available. Call your state agency or your public library for sources of information. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," is available from the FTC. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information.

There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 11, ~~2018~~2018, as amended January 16, 2019

STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN VIRGINIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN VIRGINIA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT VIRGINIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IF YOU FAIL TO MEET YOUR SALES QUOTA, WE HAVE THE RIGHT TO GRANT ADDITIONAL FRANCHISES WITHIN THE TERRITORY, REDUCE THE SIZE OF YOUR TERRITORY, OR TERMINATE YOUR FRANCHISE AGREEMENT UPON THIRTY DAYS' WRITTEN NOTICE.

4. WE AND OUR AFFILIATES MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC WITHIN THE PROTECTED AREA OF THE FRANCHISE, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH YOUR FRANCHISE.

5. YOUR SPOUSE MUST SIGN A DOCUMENT, SUCH AS A GUARANTEE, THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHISE BUSINESS. BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

STATE EFFECTIVE DATES

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

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

State	Effective Date:
California	April 16, ~~2018~~2018, as amended _____, 2019

For all other states, see separate FDD.

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ITEM 1
THE FRANCHISOR AND ANY PARENT, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document "Outdoor Lighting" or "we" means Outdoor Lighting Perspectives Franchising, Inc., the Franchisor. "You" means the person, corporation, partnership or other business entity that buys the franchise, the Franchisee. If you are a business entity, "you" includes your owners.

The Franchisor

Outdoor Lighting is a North Carolina corporation that was incorporated on October 22, 2004. Our previous corporate name was Outdoor Lighting Perspectives Franchise Corporation. We changed our corporate name to Outdoor Lighting Perspectives Franchising, Inc. on March 16, 2005. We do not do business under any other name. Our current principal business address is 2924 Emerywood Parkway, Suite 101, Richmond, VA 23294 and our telephone number is (800) 722-4668. Exhibit D discloses our agents for service of process. We have been offering Outdoor Lighting franchises in the United States since March 25, 2005. We do not sell franchises in any other line of business.

As described below, we grant franchises for the operation of design and installation businesses using the name "Outdoor Lighting Perspectives" (an "Outdoor Lighting Business"). We are not engaged in any other type of business activity.

Our Parents, Predecessor and Affiliates

We have two parent companies. Our immediate parent, which is also a predecessor, is Outdoor Lighting Perspectives Franchise Corporation ("OLPF"), a North Carolina corporation, formed in August 1998. Outdoor Lighting Perspectives Franchise Corporation changed its name to Outdoor Lighting Perspectives Holdings Corporation ("OLPHC") on October 18, 2004. OLPHC began offering franchises for Outdoor Lighting Businesses in September 1998. OLPHC assigned all of its franchise agreements to us on March 25, 2005. OLPHC never offered franchises in any other line of business and no longer offers franchises in any line of business. OLPHC's principal office address is 2924 Emerywood Parkway, Suite 101, Richmond, VA 23294.

On September 29, 2008, the parent company of OLPHC, Outdoor Living Brands, Inc. ("Outdoor Living Brands"), acquired all of the stock of OLPHC. Outdoor Living Brands is a Delaware corporation with headquarters in Richmond, Virginia. Outdoor Living Brands principal address is 2942 Emerywood Parkway, Suite 101, Richmond, Virginia 23294. Outdoor Living Brands has never offered franchises in this or any other line of business other than as described below.

The following "Affiliates" are required to be disclosed in this Item 1: Outdoor Living Brands Intellectual Property Corporation ("OLBIPC") (formerly known as Outdoor Lighting Perspectives Technology Corp.), Outdoor Lighting Perspectives International, Inc. ("OLPII"), Archadeck Franchising Corporation ("AFC") (formerly known as U.S. Structures, Inc.), ~~Mosquito Squad Franchising Corporation ("Mosquito Squad"),~~ Renew Crew Franchising Corporation ("RCFC"), Conserva Irrigation Franchising, LLC ("Conserva Irrigation"), Outdoor Living Brands Supply Corporation ("OLB Supply"), OLP Commercial Services, LLC ("OLP Commercial") and Outdoor Living Brands Field Operations, Inc. ("OLBFO"). OLBIPC is a Delaware corporation formed on October 12, 2004. OLPII is a North Carolina corporation, formed on October 13, 2004. Except as otherwise specified, all of our Affiliates have the same principal business address as us. OLBIPC does not offer franchises in this or any other line of business. OLPII has offered franchises outside of the United States since July 2005.

~~Mosquito Squad is a Delaware corporation incorporated on January 19, 2009. Mosquito Squad offers franchises for Mosquito Squad® businesses offering outdoor pest control services and equipment, including the sales, design, installation and servicing of outdoor misting systems and other pest elimination and control systems for both residential and commercial use ("Outdoor Pest Control Business"). Mosquito Squad currently offers Outdoor Pest Control Businesses in North America. As of December 31, 2017, Mosquito Squad has 229 franchisees located throughout the United States. Mosquito Squad has never offered franchises for, nor owned nor operated Outdoor Lighting Businesses. Outdoor Living Brands is the franchisor of the MOSQUITO SQUAD® franchise system in Canada. As of December 31, 2017, there were no MOSQUITO SQUAD franchises located in Canada.~~

In July 1984, AFC began offering franchises for Archadeck® Outdoor Living businesses specializing in custom-designed and built decks, screened-in-porches, open porches, sunrooms, gazebos, patios and other hardscaped areas and design elements, outdoor kitchens, and related outdoor living structures ("Construction Sales and Service Business"). AFC currently offers Construction Sales and Service Businesses in the United States and internationally. AFC does business under the name "Archadeck®" and "Archadeck® Outdoor Living." As of December 31, 2017, AFC had 53 franchisees located throughout the United States and Canada. AFC has never offered franchises for, nor owned nor operated, Outdoor Lighting Businesses.

RCFC is the franchisor of the RENEW CREW® franchise systems in the U.S. and internationally. RENEW CREW franchises are businesses specializing in providing exterior cleaning and protection services to residential and commercial customers. RCFC has offered RENEW CREW franchises since October 1, 2012. As of December 31, 2017, RCFC had 23 RENEW CREW franchises located throughout the United States. RCFC has never offered franchises for, nor owned nor operated, Outdoor Lighting Businesses.

Conserva Irrigation is the franchisor of the CONSERVA IRRIGATION® franchise system in the U.S. CONSERVA IRRIGATION® franchises are businesses offering repair, maintenance, service, design and construction of irrigation systems for residential and commercial customers with an emphasis on water conservation. Outdoor Living Brands began offering royalty-free pilot licenses for Conserva businesses in April 2014. All pilot licensees were offered the opportunity to enter into franchise agreements with Conserva Irrigation during 2017. As of December 31, 2017, Conserva Irrigation had 29 franchises located throughout the United States. Conserva Irrigation has never operated an Outdoor Lighting Business nor offered franchises in any other line of business other than described above.

OLBFO has operated 2 Outdoor Lighting Businesses in the Charlotte, North Carolina area since March 2017. In addition, OLBFO operates ARCHADECK®, RENEW CREW® and CONSERVA IRRIGATION® businesses in the Charlotte, North Carolina area.

OLB Supply was formed as a Delaware corporation on February 18, 2010. It is a wholly owned subsidiary of Outdoor Living Brands. OLB Supply was formed to engage in the sourcing and supply of certain products for sale to franchisees of Outdoor Living Brands or its Affiliates. OLB Supply does not own or operate an Outdoor Lighting Business and does not offer franchises in this or any other line of business.

OLP Commercial was formed as a Delaware limited liability company on December 30, 2010. Its sole member is Outdoor Lighting Perspectives Holding Corporation. OLP Commercial's place of business is the same as ours. OLP Commercial was formed to contract directly to provide outdoor lighting installation services for commercial property applications, primarily in areas where no Outdoor Lighting Perspectives franchise location exists. OLP Commercial does not own or operate an Outdoor Lighting Business and does not offer franchises in this or any other line of business.

The Business

We authorize you to use our trademarks and to operate an Outdoor Lighting Business. An Outdoor Lighting Business provides outdoor lighting design, automated lighting control equipment, installation services, lighting sales, and seasonal, holiday and event lighting sales and installation services to residential and commercial customers through a uniform system consisting of high standards of service, use of quality products, and under the business format created and developed by Outdoor Lighting ("Outdoor Lighting System"). A franchise for an Outdoor Lighting Business will typically have a protected territory of 350,000 to 750,000 people with at least 30,000 qualified households.

We also may consider granting a franchise for an Outdoor Lighting Business with a protected territory of 150,000 to 350,000 people with approximately 20,000 or fewer qualified households ("Micro Market Franchise"). Unless noted, all references to an Outdoor Lighting Business or an Outdoor Lighting Perspective franchise include a Micro Market Franchise.

To provide incentives to you for referring prospective franchisees to us, we have, in the past, provided referral fees in the form of credits or cash, at our discretion, towards Products to those franchisees referring new franchisees. There are no assurances that we will continue paying referral fees in the future. Persons who receive financial incentives to refer franchise prospects to us may be required to register as franchise brokers under the laws of some states.

At our option, if you are already operating an Outdoor Lighting Business, you may be offered the opportunity to purchase additional Territories. Each Territory must be purchased by paying the then-current Initial Franchise Fee, less any applicable discounts as outlined in the then current Franchise Disclosure Document, and by signing the then current Franchise Agreement. At this time, we do not grant any special area development rights for multiple territories.

Regulations

There are specific regulations pertaining to this industry and you must comply with all local and national electric codes and regulations. You may be required by local and state authorities to obtain certain permits, registrations or licenses (for example, as an electrician or home improvement contractor) to operate an Outdoor Lighting Business. You should consult with local agencies and/or your attorney. An Outdoor Lighting Business is designed to be run out of your home. We intend that you will devote your full time to your Outdoor Lighting Business or designate and train a business manager who will devote his/her full time to the Outdoor Lighting Business, and not operate any other business at the same time unless you were operating a home services contracting business. If you wish to operate an Outdoor Lighting Business in conjunction with another business (which must be a complimentary, non-competing enterprise, for example, a landscaping service), you must receive our prior approval, which we may grant or deny, in our sole discretion.

Market Competition

Outdoor Lighting Businesses presently focus on serving residential and commercial customers in urban and suburban areas. You may have to compete with other businesses including franchised operations, national chains and independently owned companies offering outdoor lighting services and lighting automation equipment and services to residential and commercial customers. You will also be required to compete in the current economic environment, and this environment may have a substantial impact on your sales and the revenue you can generate from each sale.

ITEM 2
BUSINESS EXPERIENCE

Chairman, Chief Executive Officer, and Director – Christopher M. Grandpre

Mr. Grandpre has served as our Chairman since 2011, and our Chief Executive Officer and Director since 2008. He also has been Chairman since March 2011 of Outdoor Living Brands, OLPHC, OLPII and OLBIPC and Chief Executive Officer and Director of these entities since 2008. Mr. Grandpre has also served as Chairman of AFC since March 2011 and has been Chief Executive Officer and a Director of AFC since November 2005. Mr. ~~Grandpre has also served as Chief Executive Officer and a Director of MSFC since February 2009, and Chairman of MSFC since March 2011. Mr.~~ Grandpre also has served as Chief Executive Officer and Chairman of RCFC since July 2012. Mr. Grandpre also has served as the Chief Executive Officer of Conserva Irrigation since March 2017. Mr. Grandpre also has served as Chief Executive Officer and a Director of OLB Supply and OLP Commercial since 2010, and as its Chairman since March 2011. Mr. Grandpre was President, Chief Executive Officer, and a Director for Insurance Service Brands and its wholly owned subsidiary, National Restoration from June 2010 until December 2016. Mr. Grandpre served as Chief Executive Officer and a Director of Mosquito Squad Franchising Corporation from February 2009 until December 2018, and as Chairman from March 2011 until December 2018. All of these positions are or were located in Richmond, Virginia.

Secretary, Treasurer, Director and Chief Financial Officer – Corey Schroeder, CFA

Mr. Schroeder has served as our Secretary, Treasurer, Chief Financial Officer and a Director since September 2008. He also has been the Secretary, Treasurer, and a Director of our Affiliates, OLPII and OLBIPC since September 2008. Mr. Schroeder also has been Vice President, Secretary, Treasurer and a Director for our parent, OLPHC, and our Affiliate, OLP-Cleveland, Inc. in Richmond, Virginia, since September 2008. Mr. Schroeder also has served as the Chief Financial Officer, Secretary, Treasurer and a Director of our parent, Outdoor Living Brands also located in Richmond, Virginia since July 2008. Mr. ~~Schroeder has also held the position of Secretary, Treasurer and Director for Mosquito Squad since February 2009. Mr.~~ Schroeder has also served as Vice President, Chief Financial Officer and a director of our Affiliate, AFC since January 2006. Mr. Schroeder also has served as Chief Financial Officer, Secretary and Treasurer of RCFC since July 2012. Mr. Schroeder also has served as the Secretary, Treasurer and a Director of OLB Supply since February 2010. He also has served the Secretary, Treasurer and a Director of OLP Commercial since December 2010. Mr. Schroeder was also the Secretary, Treasurer, Chief Financial Officer and a Director for Insurance Service Brands and its wholly owned subsidiary, National Restoration, both in Richmond, Virginia, from June 2010 until December 2016. Mr. Schroeder also has served as the Chief Financial Officer of Conserva Irrigation since March 2017. Mr. Schroeder served as Secretary and Treasurer, CFO and a Director of Mosquito Squad Franchising Corporation in Richmond, Virginia from February 2009 until December 2018.

President, Chief Operating Officer and Director – Scott Zide

Mr. Zide has been with us since October 2004 and has served as our Chief Operating Officer since January 2007 and our President since September 2010. He has also been with our parent, OLPHC since October 2004 and has served as the Chief Operating Officer for OLPHC since January 2007 and the company's President since September 2010. Mr. Zide also has served as President and Chief Operating Officer of RCFC since July 2012. Mr. ~~Zide is also the President and Chief Operating Officer for Mosquito Squad. He has held the position of its Chief Operating Officer since February 2009 and President since September 2010. Mr.~~ Zide was named to the position of Chief Operating Officer of our parent, Outdoor Living Brands in September 2008, and named President of Outdoor Living Brands effective September 2010. Mr. Zide also has served as the President and Chief Operating Officer of OLB Supply since

December 2010 and OLP Commercial since June 2010. Mr. Zide has owned and operated an Outdoor Lighting Perspectives® business in Richmond, Virginia since March 2014. Mr. Zide also has served as the Secretary of Conserva Irrigation since March 2017. Mr. Zide served as Mosquito Squad Franchising Corporation's COO in Richmond, Virginia from February 2009 until December 2018 and as President and a Director from September 2010 until December 2018.

~~**Director – Roger Mullins**~~

~~Mr. Mullins has served in the capacity as a Director since December 2010. He also has been a Director of our parents, OLPHC and Outdoor Living Brands, and our Affiliates, OLPII and OLBIPC since December 2010. He also has been a Director of Mosquito Squad and AFC since December 2010 and of RCFC since July 2012. Mr. Mullins has also served as a Director of OLB Supply and OLP Commercial since December 2010. Mr. Mullins also has been a Director and Chairman for Insurance Service Brands and its wholly owned subsidiary, National Restoration since June 2010.~~

~~**Director – Mark Guedri**~~

~~Mr. Guedri has served in the capacity as a Director since September 2008. He also has been a Director of our parents, OLPHC and Outdoor Living Brands, and our Affiliates, OLPII and OLBIPC since September 2008. He also has been a Director of Mosquito Squad and AFC since September 2008 and of RCFC since July 2012. Mr. Guedri has also served as a Director of OLB Supply and OLP Commercial since June 2010 and as a Director of our parent, Outdoor Living Brands, since September 2008. He also served as Chairman of AFC from his election in April 2005, until he resigned from that position in June 2008. Mr. Guedri currently is Chief Operating Officer of Health Resources Management, Inc., located in Salisbury, North Carolina, and has been in that position since June 2010.~~

Vice President, Outdoor Lighting Perspectives – Rich Young

Mr. Young has been with us since 2006 and has been our Vice President and business unit leader of Outdoor Lighting Perspectives since September 2008. Since September 2008, he also has been the Vice President - OLP, for our parent, Outdoor Living Brands.

Vice President of Franchise Recruiting – Marcia Mead

Ms. Mead has served as our Vice President of Franchise Recruiting since January 2018. Ms. Mead has also served as the Vice President of Franchise Recruiting of ~~MSFC,~~ AFC, Conserva Irrigation and Renew Crew since January 2018. Before joining us, Ms. Mead was the Head of Franchise Relations for Naranga in Atlanta, Georgia from July 2017 to January 2018. From January 2015 to June 2017, she was the Vice President of Franchise Development for PuroClean in Tamarac, Florida. From August 2001 to December 2014, Ms. Mead served in a variety of roles with First Service Brands companies, including Director of Franchise Development from October 2011 to December 2014 and Operations Manager from February 2009 to October 2011 with Floor Coverings International in Norcross, Georgia, National Accounts Manager from October 2007 to October 2008 and Franchise Recruiter from October 2004 to October 2007 with CertaPro Painters in Oaks, Pennsylvania, and as a CertaPro Painters Franchise Owner from August 2001 to August 2004 in Olathe, Kansas. Ms. Mead served as the Vice President of Franchise Recruiting for Mosquito Squad Franchising Corporation in Richmond, Virginia from January 2018 until December 2018.

Director of Franchise Recruiting – Erin Zide

Ms. Zide has served as the Director of Franchise Recruiting since March 2017. Before joining us, she owned and operated two successful Outdoor Lighting Perspectives franchises in St. Louis, Missouri from June 2000 to June 2004 and in Richmond, Virginia from March 2014 to January 2018. In addition, Ms. Zide served as a Franchise Support Consultant for Outdoor Living Brands from May 2010 to February 2014.

Brand Strategist – Lawrence Spada

Mr. Spada has been with us since January 2006 and has served in the position of Brand Strategist since October 2010. He was also named to the position of Vice President, Marketing and Branding, for our parent, Outdoor Living Brands in September 2008. ~~Effective October 2010, Mr. Spada assumed the position of Brand Strategist at Outdoor Living Brands and all of its Affiliates. From January 2006 to January 2009,~~ He has served as Brand Strategist of AFC since September 2010, RCFC since July 2012 and Conserva Irrigation since March ~~2017.~~2017 in Richmond, Virginia. Mr. Spada served as Brand Strategist of Mosquito Squad Franchising Corporation in Richmond, Virginia from September 2010 until December 2018, and as Director of ~~Marketing of Mosquito Squad's predecessor, Mosquito Squad Franchise Corp. Mr. Spada also has served as the Brand Strategist of Conserva Irrigation since March 2017.~~Branding & Marketing from February 2009 until September 2010.

Brand Marketing ~~Manager – Jody Wetherill~~Consultant – Alexandra Mercer

Ms. ~~Wetherill~~Mercer has served as a Brand Marketing ~~Manager for us and~~Consultant since October 2018. Ms. Mercer has also served as a Brand Marketing Consultant for AFC since October 2018. Prior to joining us ~~in March 2012. Ms. Wetherill joined us from Give More Media, Inc. located~~, Ms. Mercer was an Account Executive with circle S studio in Richmond, Virginia ~~where she served as Director of Marketing from June 2011 to September 2012.~~ from March 2013 until October 2018.

Director of Field Operations – Jim Morris

Mr. Morris has served as Director of Field Operations since January 2014. Before joining us, he served as the Midwestern Regional Sales Manager for Cast Lighting covering a multi-state territory from February 2007 to January 2014. While at Cast, Mr. Morris' primary focus was supporting outdoor lighting distributors, designers, architects and contractors through sales support, service, product knowledge, classroom and field training, and project design and installation.

Field Support Consultant – Tom McCombs

Mr. McCombs joined our team in November of 2016. From March 1992 until October 2015 Mr. McCombs held various roles with Enterprise Holdings Organization in Central, Virginia, most recently serving as Area Rental Manager from January 2001 until October 2015.

ITEM 3
LITIGATION

Concluded Arbitration and Litigation

Outdoor Lighting Perspectives Franchising, Inc. v. OLP-Pittsburgh, Inc., Amy Perlmutter and Outdoor Living Pittsburgh, LLC, Civil Action No. 3:11CV584-GCM-DSC (United States District Court, Western District of North Carolina, Charlotte Division filed November 15, 2011). We filed suit against a

former franchisee and its owners ("Defendants") for breach of contract, trademark infringement, misappropriation of goodwill, and violation of the Deceptive Trade Practices Act arising out of the operation of a competitive business and the evasion of post-expiration obligations contained in the Defendants' Franchise Agreement. We sought a preliminary and permanent injunction. On April 17, 2012, the Court entered the preliminary injunction preventing the Defendants from operating a competitive business within their former territory for a period of two years. On June 25, 2012, the parties entered into a settlement agreement and mutual release of all claims. As part of the settlement, the Defendants agreed to sign a new Franchise Agreement with us for the same territory as their prior franchise and pay us compensation for the cost of enforcing the Franchise Agreement in the litigation. The amount of compensation paid by the Defendants to us is variable and depends on the method and manner in which the Defendants exit the business in the future. All parties agreed to dismiss the action pending in the United States District Court, Western District of North Carolina and the Fourth Circuit Court of Appeals.

Brook Tafel, Starmont Ventures, LLC, Amy Dowling, Dennis Dowling, Triple Seven Accents, Inc., Clay Johnston, Johnston Point Enterprises, Inc., Patrick Harders, OLP-North Virginia, Inc., David Perlmutter, OLP-Pittsburgh, Inc., Ken Brantley, KHD Lighting, Inc., Tim Charrier, Janice Charrier and Home Amenities, Inc. v. Outdoor Lighting Perspectives Franchising, Inc., Case No. CL11-3378 (Commonwealth of Virginia in the Circuit Court of Henrico County, Civil Division filed December 8, 2011). The Plaintiffs were three former and four current franchisees operating throughout the United States. The Plaintiffs' Complaint stated a single count for declaratory judgment requesting that the Court declare that the post-termination restrictive covenant in the Franchise Agreement unenforceable or, alternatively, void and stricken. On March 23, 2012, we entered into a Settlement Agreement, Termination of Franchise Agreement and Mutual Release of Claims with Amy Dowling, Dennis Dowling and Triple Seven Accents, Inc. (the "Dowlings"). In the Settlement Agreement, we extended the Dowlings' Franchise Agreement through March 31, 2014, in order to give the Dowlings an opportunity to sell their OLP franchised business. If they do not sell their OLP franchise by that date, the Franchise Agreement expires and the Dowlings will abide by all post-termination obligations. In addition, the Dowlings agreed to pay us a renewal fee and to reimburse us for part of our costs and attorneys' fees incurred in defending the litigation. The Dowlings dismissed their claim against us in the litigation and released us.

The hearing on our Motion to Dismiss the remaining Plaintiffs' claims took place on April 6, 2012, and on May 21, 2012, the Plaintiffs filed a Nonsuit and dismissed the case without prejudice. Subsequently, the Kent Brantley and KHD Lighting, Inc. ("Brantley") and Brook Tafel and Starmont Ventures, LLC ("Tafel") refiled the same claims as individuals. On August 20, 2012, Brantley agreed to dismiss its claims against us with prejudice and compensate us for part of the costs and attorneys' fees incurred in defending the action. On October 31, 2012, we entered into a Settlement Agreement and Mutual Release of Claims with Tafel. Tafel agreed to execute a new Standard OLP Franchise Agreement and pay us compensation to offset our legal expenses incurred in defending the claims in the action. Tafel dismissed his claim against us in the litigation and we executed a mutual release.

Outdoor Lighting Perspectives Franchising, Inc. v. Steve and Tammy Stubbs, d/b/a Lightscapes, Civil Action No. 2:11-cv-02524-RMG (United States District Court, District of South Carolina, Charleston Division filed September 20, 2011). We filed suit against a former franchisee and its owners ("Defendants") for breach of contract, trademark infringement, misappropriation of goodwill, and violation of the Deceptive Trade Practices Act arising out of the operation of a competitive business and the evasion of post-expiration obligations contained in the Defendants' Franchise Agreement. On October 10, 2011, the Defendants filed an answer and a counterclaim, alleging a failure of disclosure under the Federal Trade Commission Regulations and various sections of the Code of Laws of South Carolina that render the Franchise Agreement void. On October 11, 2012, the parties mediated a settlement of the dispute. As part of the settlement, the Defendants agreed to pay us compensation and agreed to refrain from operating an outdoor lighting business in a specified geographic area within South Carolina. Defendants also agreed to

return all original customer records and files and refrain from soliciting former Outdoor Lighting Perspectives customers in the same geographic area in South Carolina. The parties executed a Mutual Release and dismissed the litigation with prejudice.

Outdoor Lighting Perspectives Franchising, Inc. v. Home Amenities, Inc., Tim Charrier, Janice Charrier and Charrier Lighting Solutions, Inc., Civil Action No. 3:11-cv-020567 (United States District Court, Western District of North Carolina, Charlotte Division filed November 9, 2011). We filed suit against a former franchisee and its owners ("Defendants") for breach of contract, trademark infringement, misappropriation of goodwill, and violation of the Deceptive Trade Practices Act arising out of the operation of a competitive business and the evasion of post-expiration obligations contained in the Defendants' Franchise Agreement. We sought a preliminary and permanent injunction against the Defendants. On January 18, 2012, the Court entered the Preliminary Injunction that enjoined the Defendants from continuing to operate a competing business in their former territory. In June 2012, the parties settled the action on terms that included the Defendants paying us compensation for the costs of enforcing the Franchise Agreement as well as an additional sum upon the sale, closure or other disposition or transfer of the Defendants' Outdoor Lighting Perspectives business. Defendants also agreed to execute a new Franchise Agreement for the same territory as their former OLP franchise business. The parties dismissed with prejudice the District Court action and Fourth Circuit appeal.

Outdoor Lighting Perspectives Franchising, Inc. v. Patrick Harders, Outdoor Lighting Perspectives of Northern Virginia, Inc. and Enlightened Lighting, LLC, Civil Action No. 12-CVS-4430 (Mecklenberg County General Court of Justice, Superior Division filed on March 5, 2012). We filed suit against a former franchisee and its owners (Defendants) for breach of contract, civil conspiracy, and misappropriation of goodwill arising out of Defendants' operation of a competitive business after expiration of the Defendants' Franchise Agreement. We sought a preliminary and permanent injunction against the Defendants to prevent them from operating a competitive outdoor lighting business and failing to return confidential information provided to them during the term of the Franchise Agreement. We also sought damages for the Defendants' breach of the Franchise Agreement and other wrongful and tortious conduct and reimbursement for our costs incurred relating to the action.

On March 27, 2012, the case was designated as a mandatory complex business case and transferred to the North Carolina Business Court. The hearing on our Motion for Preliminary Injunction took place on April 12, 2012. On May 14, 2012, the Court issued an Order in which it granted in part, and denied in part, our Motion for Preliminary Injunction. The trial court denied our Motion to enforce the post-expiration noncompete agreement but granted our Motion with respect to Defendants' obligation to return confidential materials to us, assign telephone numbers and turn over customer lists, files and records. We appealed that portion of the Court's Order denying our Motion for Preliminary Injunction on May 23, 2012. On August 6, 2013 the Court of Appeals issued a ruling affirming the Business Court's decision. On November 25, 2013 the parties filed a mutual dismissal with prejudice which specifically stipulated that the May 14, 2012 Order issued by the Business Court shall remain in full force and effect according to its terms.

Outdoor Lighting Perspectives Franchising, Inc. v. Outdoor Lights of Baltimore, LLC, Harry Nelson and Susan Nelson, DBA Lightscapes of Maryland, Civil Action Number 3:14 CV 371 (United States District Court for the Eastern District of Virginia). We filed suit against a former franchisee and its owners ("Defendants") for breach of contract, trademark infringement, civil conspiracy, violation of the deceptive trade practices act and misappropriation of goodwill arising out of the Defendants' operation of a competitive business after termination and failure to comply with post termination obligations contained in the Defendants' franchise agreement. We sought a preliminary and permanent injunction. The Defendants failed to answer or otherwise respond to our complaint. On June 30, 2014, the court entered the preliminary injunction preventing the Defendants from operating a competitive business within their former territory for a period of two years, preventing the Defendants from using our trademarks and

compelling Defendants to return all of our operations manuals, customer lists, customer records and other confidential information. On January 29, 2015 the parties entered into a settlement agreement and mutual release of claims. As part of the settlement, the Defendants agreed to abide by the terms of the court's preliminary injunction and pay us compensation for the costs incurred in enforcing the franchise agreement.

Other than the actions disclosed above, no litigation is required to be disclosed in this Item 3.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Standard Franchise

If you purchase an Outdoor Lighting Business franchise, you pay a lump sum franchise fee ("Initial Franchise Fee") of $39,500 for each Territory when you sign the Franchise Agreement.

Conversion Franchise

If you have an existing outdoor lighting business that has been operational for at least two continuous years with annual gross revenues (as we determine) of at least $100,000 in your last full fiscal year, that business is similar to an Outdoor Lighting Business and you agree to convert that business into the Outdoor Lighting Perspectives Business, we will discount the Initial Franchise Fee based on the annual gross revenues for your existing business in your last full fiscal year up to a maximum discount of 50% as shown below (the "Conversion Discount") and discount the Royalty by up to 50% during the initial year of your Franchise Agreement:

Percentage Discount	Annual Gross Revenue
0%	$0 - $99,999
20%	$100,000 - $199,999
30%	$200,000 - $299,999
40%	$300,000 - $399,999
50%	$400,000 and above

Micro Market Franchise

If you purchase a Micro Market Franchise, you will pay a lump sum franchise fee of $20,000 for each Territory when you sign the Franchise Agreement.

Add-On Discount for Existing Home Services Contracting Business

If you operate an existing business offering home automation services or landscape, irrigation, or lawn service business or other related home services contracting business, and have continuously operated this business for at least the past two years and agree to diversify your existing business by adding an Outdoor Lighting Perspectives franchise in an affiliated but separate legal entity, you may be eligible for a discounted Initial Franchise Fee of $25,000 for each Territory when you sign the Franchise Agreement.

VetFran Discount

We are a member of the International Franchise Association ("IFA"), and we support and participate in IFA's VetFran Program. If you are an honorably discharged veteran who meets our qualifications, we will discount the applicable Initial Franchise Fee by 15%. The VetFran discount may be used only once and only on one Territory, not on any additional Territory or additional franchise concepts that you may purchase.

Additional Territory Discount

If you are an existing Outdoor Lighting Perspectives franchisee that: (a) has been an Outdoor Lighting Perspectives franchisee for at least 12 months, (b) has been in full compliance with your Franchise Agreement for at least 12 consecutive months, (c) meets our qualifications for expansion (as described in our Operations Manual), and (d) is licensing an additional Territory from us (for which you are signing a separate Franchise Agreement), the franchise fee will be based on the average annual Gross Receipts for all of your existing Businesses in your last full fiscal year up to a maximum discount of 50% as shown below:

Percentage Discount	Annual Gross Receipts
0%	$0 - $150,000
25%	$150,001 - $300,000
50%	$300,001 and above

Additional Concept Discount

We and our Affiliates offer a program to reward qualified franchisees who have been franchisees for at least two years that purchase a franchise from one of our Affiliates. If you have been a franchisee in full compliance under your Franchise Agreement for at least two years and you meet the qualification guidelines to be a franchisee of one of the other franchise concepts offered by one of our Affiliates, when you purchase a franchise from one of these Affiliate companies, the applicable initial franchise fee is discounted by 30%.

Discount for Employees of Franchisees

We have a discount program to reward qualified employees of our franchisees who have been recommended in writing by their employer, who have been employed in good standing by their employer for at least two years and who otherwise meet all of the qualification guidelines to be our franchisee. We offer a 5% discount off the applicable initial franchise fee for every year of service over two years, subject to a maximum discount of 50% off the applicable initial franchise fee as shown below:

Percentage Discount	Years of Consecutive Employment
10%	2
15%	3
20%	4
25%	5
30%	6
35%	7
40%	8
45%	9
50%	10 and more

Combination and Application of Discounts

The VetFran discount may be used only once and only on one territory, not on any additional territory or additional franchise concepts that you may purchase. The VetFran discount is the only discount that can be combined with any of our other discounts. If you qualify for the VetFran or employee discounts, you must maintain at least a 75% majority interest in the beneficial ownership and voting interest of the franchise if the franchisee is a corporation, partnership or other entity (not a natural person) during the entire term of the Franchise Agreement or the discounted amount of the Initial Franchisee will become immediately due and payable by you to us.

Initial Inventory

You may elect to order certain initial lighting inventory and the night time sales demonstration kit required for the operation of your Outdoor Lighting Business before opening. You will purchase these items from our affiliate, OLBSC. We estimate that the total cost of these items will range from $5,000 to $8,000.

Miscellaneous

We will refund 50% of the Initial Franchise Fee you paid to us within 30 days after notice of termination by us if you do not complete your training program to our satisfaction. We will notify you in writing not later than five days after completion of your training program if we decide to terminate your franchise and give you a partial refund of such fees. There are no refunds under any other circumstances.

Except as described in ITEM 10, we do not provide any financing for the Initial Franchise Fee.

At our option, and based upon your demonstrated ability to operate more than one Outdoor Lighting Business, you may be offered the opportunity to purchase additional Territories. Each Territory must be purchased by paying the then current Initial Franchise Fee and by signing the then current Franchise Agreement. At this time, we do not grant any special area development rights for multiple Territories.

During 2017, franchisees paid us Initial Franchise Fees ranging from $29,625 to $39,500.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty† (1)	The greater of: (a) the sum of (i) 7% of Gross Revenue from all Residential Landscape Lighting Projects and (ii) 5% of Gross Revenue from all other sources, excluding Residential Landscape Lighting Projects; or (b) the Minimum Royalty of $1,100 per month (or $700 per month for Micro Market Franchises). If Gross Revenue exceeds $1,000,000, the Royalty Fee will be reduced to the greater of the Minimum Royalty or 5% of Gross	Payable monthly on or before the tenth of each month	Gross Revenues are all revenue from the Outdoor Lighting Business. If applicable and at our discretion, the Minimum Royalty may be abated during certain months of the year due to seasonal factors in your Territory. We will determine if seasonal factors apply to your Territory in our sole discretion. Seasonal factors apply to winter weather states in which adverse weather conditions do not allow franchisee to install outdoor lighting. "Residential Landscape Lighting Projects" means all work performed by the Business at single family residential locations or duplexes, as further defined in the Manual.

Type of Fee	Amount	Due Date	Remarks
	Revenue from all sources for the remainder of that calendar year.		
National Branding & Marketing Fee† (2)	1.5% on the first $1,000,000 of Gross Revenues in any calendar year. No National Branding & Marketing Fee is due on Gross Revenues overs $1,000,000 in any calendar year.	Payable monthly, same time as the Royalty	We may increase the National Branding & Marketing Fee at any time up to a maximum of three percent of Gross Revenues. The National Branding & Marketing Fee is currently one and one-half percent of Gross Revenues.
Transfer Fee†	$7,500 ($5,000 for Micro Market Franchises)	Prior to acceptance of transfer	Payable before you transfer your franchise.
Audit†	Cost of audit plus late fee of one and one-half percent interest per month on understatement	Thirty days after billing	Payable only if audit shows an under-statement of at least two percent of Gross Revenue for any month.
Fee for Lost Manuals†	$500	Upon delivery	
Successor Franchise Fee†	10% of then-current Initial Franchise Fee	Upon the extension of your rights to operate the Outdoor Lighting Business	
Indemnification†	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Outdoor Lighting Business operations
Cost of Enforcement or Defense†	All costs including accounting and attorneys' fees, plus interest on such amounts.	Upon settlement or conclusion	You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement
Technology Maintenance Expense	The then-current cost of purchasing required hardware and software upgrades. The estimated range of costs are $0-$5,000	At time of upgrade, which may be required at any time if we determine that the existing hardware and/or software is outdated	We impose no cap or limitation on the amount of expense you may incur for hardware and software upgrades
Mandatory Seminars, Conventions or Programs	You must pay your expenses as well as the expenses your employees incur in attending these meetings. The estimated range of costs is $500-$2,500 plus materials estimated at $50	As incurred	We reserve the right to conduct periodic meetings of all Outdoor Lighting franchisees that you must attend
Software License and Support Fee†	$0 to $150 per month; currently $0	Monthly	Payable on or before the tenth of the month at the same time you pay your Royalties
CRM License Fee	Estimated, $0 to $150 per month	Monthly	We have worked with an outside vendor to develop a proprietary data management and CRM system. You are required to use the CRM software and to pay us or the outside vendor a regular license and access fee to support the software. We estimate these fees will range between $0 and $150 per month.
Additional Computer Training	Will vary based on length and type of course	Prior to training	You must take a computer training class at a local computer school if we determine that you do not have sufficient skills to operate your computer, understand how to use the software, and access email and the Internet

Type of Fee	Amount	Due Date	Remarks
Late Fee	$100	As incurred	Due for any late payment, underpayment or late report (including certificates of insurance, financial statements and tax returns)
Insufficient Funds Fee	Our then-current service charge (ranging from $10 - $50), plus any fees and expenses incurred by us	As incurred	Due if there are insufficient funds in your account to collect amounts by a transfer of funds on the due date, or if a withdrawal is otherwise rejected for any reason
Interest†	Lesser of one and one-half percent per month or highest rate of interest allowed by law, whichever is less	As incurred	Begins to accrue after any payments are due and unpaid
Supplemental or Refresher Training†	Then-current fee	As incurred	Payable if we require you to attend any additional or supplemental training programs. We do not pay any travel expenses, lodging, meals, ground transportation or other personal expenses.

† Denotes fees which are imposed and payable to us. All of these fees are non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on your vendors and suppliers. The fees and costs are uniform as to all persons currently being offered a franchise.

Notes:

(1) Royalty. For the first 12 months of the operation of your Outdoor Lighting Business we will waive the Minimum Royalty but you must pay us the percentage royalty. The Minimum Royalty per Territory begins in the 13th full month of operation and is $1,100 per month per Territory or $700 per month per Territory for Micro Market Franchises. Due to the Minimum Royalty, in some instances it is possible for the Royalty to exceed 7% of Gross Revenue when computed on an annualized basis. We may reduce the Royalty rate if you qualify for Conversion Discount up to 50% during their initial year of operation at our sole discretion. If applicable and at our sole discretion, the Minimum Royalty may be abated during certain months of the year due to seasonal factors in your Territory. Seasonal factors apply to winter weather states in which adverse weather conditions do not allow you to install outdoor lighting. We will determine if seasonal factors apply to your Territory in our sole discretion.

(2) Advertising Through National Branding and Marketing Fund. We have formed a National Branding and Marketing Fund for advertising. Advertising materials and services will be provided to the Franchisee through the National Branding and Marketing Fund. The Franchise Agreement allows us to increase the amount of your monthly Advertising through the National Branding and Marketing Fund up to 3% of your Gross Revenues in our discretion. This contribution must be made in addition to your Individual Advertising Investment, including the Start-Up Advertising.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Standard Franchise

Type of Expense	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (1)	$13,825	$39,500	Lump Sum	At Franchise Agreement Signing	Outdoor Lighting
Initial Marketing Collateral (2)	$2,000	$3,000	As Incurred	At Delivery	Suppliers
Vehicle Wrap (3)	$2,500	$3,000	As Incurred	At Delivery	Suppliers
Trade Show Booth (4)	$1,500	$2,000	As Incurred	At Delivery	Suppliers
Travel and Living Expense While Training (5)	$2,000	$3,500	As Incurred	As Incurred During Training	Airlines, Hotels, Restaurants
Tools and Equipment (6)	$1,000	$2,000	Lump Sum	At Delivery	Suppliers
Computer Hardware and Software (7)	$0	$1,200	Lump Sum	At Delivery	Suppliers, Vendors
Inventory (8)	$8,000	$13,000	Prior to Opening and as Needed	At Delivery	Suppliers
Start-up Marketing and Advertising (for the First Ninety Days After Satisfactorily Completing the Initial Training) (9)	$20,000	$25,000	As Incurred	Varied Times	Vendors
Vehicle (10)	$0	$30,000	Monthly Fee or Lump Sum	Varied Terms	Auto Dealer
Additional Funds (three months) (11)	$10,850		As Incurred	Varied Times	Suppliers, Utilities
TOTAL (12)	**$61,675**	**$133,050**			

Notes:

(1) Initial Franchise Fee. The Initial Franchise Fee is not refundable except as otherwise described in this Disclosure Document. We do not offer a refund of any other expenses except as otherwise described in this Disclosure Document. If you qualify for the Conversion Discount, you may be eligible to pay a reduced Initial Franchise Fee which includes a discount of up to 50% of the Initial Franchise Fee. The low end of the estimated range includes the combination of a full Conversion Discount and the VetFran discount (for a total discount of 65% off the Initial Franchise Fee).

(2) Initial Marketing Collateral. The Initial Marketing Collateral includes stationery, flyers, yard signs and all other start-up collateral purchased for the business.

(3) Vehicle Wrap. This estimate includes production of the vehicle graphic and installation.

(4) Trade Show Booth. This estimate includes production and delivery of a tradeshow booth.

(5) Travel and Living Expenses While Training. This estimate includes eight nights in a hotel, up to two flights, and all meals. You will also be required to attend a separate holiday lighting training course during the summer before your first holiday lighting season. There is no separate fee for this training course, but you will be responsible for all travel and living expenses for this course.

(6) Tools and Equipment. This estimate includes the cost of required drills, electrical supplies, general tools, and a ladder.

(7) Computer Hardware and Software. Includes the cost of Licensing Quick Books and a desktop or laptop computer and printer.

(8) Inventory. This represents an estimate of your initial lighting inventory ordering requirements and your night time sales demonstration kit.

(9) Start-Up Marketing and Advertising. The Start-up Marketing and Advertising includes the cost of all direct mail activities, pay-per-click campaigns, newspaper, radio, television, magazine, and all other efforts implemented during the first 90 days of operation after you have completed our Initial Training Program. You must invest at least $20,000 on approved start-up advertising. The $20,000 will be credited toward the $40,000 you must invest annually on approved local marketing.

(10) Vehicle. If you do not already own a van, then you must lease or purchase a van. The van can be leased or financed, depending on your credit and the auto dealer, with an approximate $500 deposit and monthly payments negotiated with the auto dealer. If it is not leased or financed, the approximate value to purchase new vehicle is estimated at $30,000.

(11) Additional Funds. Estimate of your start-up expenses for an initial three-month period. These expenses do not include payroll costs or your living expenses. This estimate includes $500 to $750 for your first quarterly insurance payment, up to $300 for business licenses and permits, $500 for organizational costs, up to $300 for the quarterly cost of renting a storage facility, plus $10,000 for miscellaneous working capital. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your business. No retail or commercial location will be required but is recommended. The expenses listed do not include acquisition, lease or improvement of any real estate. Your costs will depend on how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our products and/or services; the prevailing wage rate; competition; and the sales level reached during the initial period.

(12) The high/low total amounts will vary and may exceed our estimates based on the Territory you purchase.

Micro Market Franchises

Type of Expense	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is Made
Micro Market Initial Franchise Fee (1)	$7,000	$20,000	Lump Sum	At Franchise Agreement Signing	Outdoor Lighting
Travel and Living Expense While Training (2)	$2,000	$3,500	As Incurred	As Incurred During Training	Airlines, Hotels, Restaurants
Tools and Equipment (3)	$1,000	$2,000	Lump Sum	At Delivery	Suppliers
Computer Hardware and Software (4)	$0	$1,200	Lump Sum	At Delivery	Suppliers, Vendors
Inventory (7)	$6,000	$10,000	Prior to Opening and as Needed	At Delivery	Suppliers
Start-up Advertising (for the First Ninety Days After Satisfactorily Completing the Initial Training) (6)	$15,000	$25,000	As Incurred	Varied Times	Vendors
Vehicle	$0	$30,000			
Vehicle Wrap (7)	$1,000	$2,000			
Trade Show Booth (8)	$500	$2,500	As incurred	At Delivery	Trade Show Booth Vendor

Type of Expense	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is Made
Initial Marketing Collateral (9)	$1,000	$2,500	Lump Sum	Prior to Opening	Suppliers, Venders
Additional Funds (three months) (10)	$6,850		As Incurred	Varied Times	Suppliers, Utilities
TOTAL (11)	**$40,350**	**$105,550**			

Notes:

(1) Initial Franchise Fee. The conditions when the Micro Market Initial Franchise Fee are partly refundable are as described otherwise in this Disclosure Document. We do not offer refund of any other expenses. Except as otherwise described in this Disclosure Document, we do not finance any fee or expense. The low end of the range includes the combination of a full Conversion Discount and the VetFran discount applied to a Micro Market Franchise, for a total of 65% off the Initial Franchise Fee.

(2) Travel and Living Expenses While Training. This estimate includes eight nights in a hotel, up to two flights, and all meals. You will also be required to attend a separate holiday lighting training course during the summer before your first holiday lighting season. There is no separate fee for this training course, but you will be responsible for all travel and living expenses for this course.

(3) Tools and Equipment. This estimate includes the cost of required drills, electrical supplies, general tools and a ladder.

(4) Computer Hardware and Software. Includes the cost of licensing Quick Books and a desktop or laptop computer and printer.

(5) Inventory. This represents an estimate of your initial lighting inventory ordering requirements.

(6) Start-Up Advertising. This estimate is for initial advertising expenditures and is credited towards the $25,000 you must invest each year on approved local marketing.

(7) Vehicle Wrap. You must purchase and install the vehicle wrap approved by us.

(8) Trade Show Booth. You will need to purchase our approved trade show booth in advance of the start of the "home show season" in your Territory.

(9) Initial Marketing Collateral. This estimate includes the cost for business cards, letterhead, marketing brochures and other collateral and sales materials.

(10) Additional Funds. Estimate of your start-up expenses for an initial three-month period. These expenses do not include payroll costs or your living expenses. This estimate includes $500 to $750 for your first quarterly insurance payment, up to $300 for business licenses and permits, $5,000 for miscellaneous working capital and $500 for organizational costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your business. No retail or commercial location will be required but one is recommended. The expenses listed in this do not include acquisition, lease or improvement of any real estate. Your costs will depend on how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our products and/or services; the prevailing wage rate; competition; and the sales level reached during the initial period.

(11) The high/low total amounts will vary and may exceed our estimates based on the Territory you purchase.

We relied on our experience franchising Outdoor Lighting Businesses and the experience of certain officers of the company in the outdoor lighting business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You pay no other fees to us or our Affiliates to begin operation of your Outdoor Lighting Business. Except as described otherwise in this Disclosure Document, we do not refund any fees. Fees paid to any third party may be refundable, depending upon the contract, if any, between you and the third party.

Except as described otherwise in this Disclosure Document, neither we nor any of our Affiliates provide or assist with financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your Outdoor Lighting Business in compliance with your Franchise Agreement and the standards and specifications contained in the Outdoor Lighting Perspectives confidential operations manual ("Operations Manual") we loan to you.

You must provide specified services and sell specified products. The services provided to both residential and commercial customers include outdoor lighting design, installation and maintenance service; holiday lighting design, installation and maintenance services; and automated lighting control design, installation and maintenance services and sales (collectively "Services"). The products include all lighting fixtures and transformers and automated lighting control systems ("Products"). We reserve the right to require that you sell additional or different Services and Products in your Outdoor Lighting Business on 30 days' prior written notice to you. You must provide the Services and sell the Products per our specifications and standards. We reserve the right to change standards and specifications on three months' prior written notice to you.

One or both of our Affiliates, OLB Supply and OLP Commercial, may periodically be named as a designated or approved supplier for your franchise. During our last fiscal year, which ended December 31, 2017, based on our internal records, we and our affiliates derived revenues from the sale of the required products and services to our franchisees of $4,233,697 and received rebates from our franchisees' purchases of required products and services in the amount of $90,305. These amounts represent 68.8% of the total $6,287,950 in revenue we and our affiliates received in connection with the Outdoor Lighting Perspectives system and 14.0% of the total $30,908,591 in revenue Outdoor Living Brands received in 2017 as disclosed in its audited financial statements attached to this disclosure document. The revenue we and our affiliates received in connection with the Outdoor Lighting Perspectives system is included in Outdoor Living Brands total consolidated revenue in their audited financial statements.

Some of our officers own an interest in OLB. We, OLB Supply and our other Affiliates are wholly owned subsidiaries of OLB. Otherwise, there are no suppliers in which one of our officers owns an interest.

We have standards and specifications for your equipment, uniforms, fixtures, supplies, vehicle, inventory goods, signage, forms, Products, Services, advertising materials and most other services and products used in, sold or provided through your Outdoor Lighting Business. In order to maintain our standards of consistent, high quality products, customer recognition, advertising support, value and uniformity in Outdoor Lighting Businesses, you must purchase or lease all of your required equipment, vehicle, supplies, fixtures, uniforms, inventory, goods, advertising materials, services and Products used in or sold through your Outdoor Lighting Business, per our specifications and standards, only from us, our

Affiliates or our approved suppliers and distributors. Currently, neither we nor our Affiliates are the only supplier of any item.

Franchisees must license from our designated supplier (currently, Service Minder) the CRM Software. If you have a pre-existing data base you wish to migrate, there will be a one-time additional cost of $199, which you must pay directly to our designated supplier. The purchase of the CRM Software license may include technical support from us or our designated supplier.

You must also purchase computer hardware and software from suppliers that meet our standards and specifications ("Computer System") or obtain our written approval to purchase other equipment. We will respond to requests for approval to purchase equipment other than the Computer System within 30 days from the date the request is received. The Computer System will cost approximately $1,200.

We will establish approved suppliers and specifications and standards that you must follow. Approved suppliers are set forth in our Operations Manual. Approved suppliers and specifications and standards are determined based on the current needs for operating Outdoor Lighting Businesses. We evaluate existing and potential approved suppliers based on price, service, quality, warranty, delivery terms, and other commercially reasonable benchmarks. The identity of approved suppliers and these specifications and standards are updated periodically by modifying the Operations Manual, and notifying you these updates. We have procedures for approving suppliers you recommend based on the criteria described above. We will notify you within 90 days of your request to evaluate an alternative supplier of our approval or disapproval of that supplier. Currently, we do not charge a fee to evaluate an alternative supplier, but we reserve the right to charge a fee in the future. We may revoke our approval of any supplier with 30 days' prior written notice to you.

You are also required to purchase and maintain the insurance that we describe in the Operations Manual which may be adjusted periodically. Currently, you must procure and maintain, at your own expense, general liability insurance with coverage of at least $2,000,000 per occurrence and $4,000,000 in the aggregate, and commercial automobile insurance with sufficient coverage. You must also procure and maintain all other insurance required by state or federal law, including workers compensation insurance and unemployment insurance.

The purchase of inventory, fixtures, equipment and supplies from our approved suppliers and distributors will likely represent approximately 25% to 50% percent of your overall purchases to establish and operate your Outdoor Lighting Business. We may derive revenue from your purchases or leases of inventory, fixtures, supplies and equipment from our designated suppliers and distributors.

We and our affiliates reserve the right to collect rebates and other consideration from third party designated and approved suppliers. During 2017, we received rebates ranging from 0% to 3% of franchisee purchases of products and services. The payment of these rebates or consideration may or may not be reasonably related to services we or our affiliates provide to these third parties.

We currently negotiate purchase arrangements with suppliers or vendors to obtain price terms and/or other benefits of a buying cooperative for its franchisees. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

We do not have any purchasing or distribution co-operatives as of the issuance date of this disclosure document.

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 franchise disclosure document.

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Definitions	ITEMS 11 & 12
b. Pre-opening purchases/leases	Sections 8, 9	ITEMS 8 & 11
c. Site development and other pre-opening requirements	Section 8	ITEMS 6, 7 & 11
d. Initial and ongoing training	Sections 7, 8	ITEM 11
e. Opening	Section 8	None
f. Fees	Sections 5, 6, 11, 15	ITEMS 5 & 6
g. Compliance with standards and policies/operating manual	Sections 7, 8, 9	ITEM 11
h. Trademarks and proprietary information	Sections 10, 14	ITEMS 13 & 14
i. Restrictions on products/services offered	Sections 8, 9	ITEMS 8 & 16
j. Warranty and customer service requirements	Section 8	ITEM 11
k. Territorial development and sales quotas	Section 4	ITEMS 11 & 12
l. Ongoing product purchases	Sections 8, 9	ITEM 16
m. Maintenance, appearance and remodeling requirements	Sections 3, 8	ITEM 7, note 2
n. Insurance	Section 12	ITEM 8
o. Advertising	Sections 8, 11	ITEM 11
p. Indemnification	Section 12	None
q. Owners participation/Management/ staffing	Section 8	ITEM 15
r. Records/reports	Section 6	ITEMS 6 & 17
s. Inspection/audits	Section 6, 8	ITEM 6
t. Transfer	Section 15	ITEM 17
u. Renewal	Section 3	ITEM 17
v. Post-termination obligations	Sections 10, 14, 17	ITEM 17
w. Non-competition covenants	Section 14	ITEM 17
x. Dispute resolution	Section 20	ITEM 17

ITEM 10
FINANCING

Except as indicated below, we require that the Initial Franchise Fee be paid to us in cash at the time of signing the Franchise Agreement.

We make optional financing available to qualifying franchisees. If you meet our qualifications, we may finance up to 50% of your Initial Franchise Fee for a standard Outdoor Lighting Perspectives franchise up to 36 months, or up to 100% of your Initial Franchise Fee if you qualify for a Conversion Discount or add-on discount (as described in Item 5) or will operate a Micro Market Franchise. We will finance these amounts for up to 60 months, provided you sign the Promissory Note ("Note") attached as Exhibit H to this Franchise Disclosure Document at the time you sign the Franchise Agreement. The effective annual interest rate will be three percentage points above the prime interest rate on the effective date of the Franchise Agreement. For those franchisees subject to California law, the highest interest rate permitted under California law is 10% per year. There is no prepayment penalty and the rule of 78 does not apply (the rule of 78 is a method of computing interest which requires the interest originally calculated to still be paid even

if prepaid). No security interest is required and no person other than you and, if you are an entity, those individuals who are required to sign the form Guarantee and Assumption of Franchisee's Obligations attached as Attachment B to the Franchise Agreement, must sign the Note.

If you accept financing from us and sign the Note, you will be required to waive and excuse presentment for acceptance and payment, notice of dishonor, and protest of dishonor. Other than as mentioned in the previous sentence, neither the Note, nor any other financing document you sign will contain any waiver of defense or similar provision. In the event payment of the Note is not made under its terms we may either accept a late payment, together with a late charge equal to 10% of the late payment, or declare the entire balance of the Note immediately due. If the balance of the Note is accelerated, we must give written notice to you and, if the balance is not paid within 10 days after notice is given, you must pay us interest at the maximum legal rate (not to exceed 18%) plus any attorneys' fees and other costs we incur in collecting the monies owed. We also have the right to terminate the Franchise Agreement if we accelerate the Note and the Note is not paid within the 10 days after acceleration. We have not in the past and do not currently intend to sell, assign or discount to any third party the Note or any other financing document you sign.

We will comply with all appropriate laws governing any direct financing we offer to you including, if applicable, the California Finance Lenders Law.

Other than as described above, we do not offer direct or indirect financing, do not guarantee your loans, lease or other obligations, and do not receive payments or other consideration for the placement of financing. We do not intend to sell, assign, or discount to a third party all or part of the financing arrangement. We reserve the right to terminate our financing program at any time, offer different terms or assist franchisees in obtaining financing in the future.

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

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

Pre-Opening Obligations.

Before you begin your Outdoor Lighting Business, we will:

1. As applicable, designate your Territory, and, if applicable, a seasonal abatement period for the Minimum Royalty. (See Section 7.3(a) of Franchise Agreement).

2. Provide you, at your cost, with the Initial Marketing Collateral, vehicle wrap and tradeshow booth. (See Section 7.3(b) of Franchise Agreement).

3. Within 60 days of your signing the Franchise Agreement, train you and one other person during a required initial training program ("Initial Training Program") described below. (See Section 7.3(d) of Franchise Agreement).

4. We are not contractually obligated to assist you with selecting a site to operate your Outdoor Lighting Business. After designating your Territory, we do not select or approve an area within your Territory from which you must select a site. You may operate your Outdoor Lighting Business from your home; however, we do recommend that you operate from a commercial location.

Post-Opening Obligations.

During the operation of your Outdoor Lighting Business, we will:

1. Research new products, services and methods and provide you with information concerning developments of this research. (See Section 7.3(i) of Franchise Agreement).

2. Loan you a copy of our confidential Operations Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules, and required product and service warranties, as prescribed by us. (See Section 7.3(j) of Franchise Agreement). The Operations Manual is confidential and remains our property. (See Section 14.1(a) of Franchise Agreement). We may modify the Operations Manual, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.3(j)(i) of Franchise Agreement). We may provide you with the Operations Manual and updates in electronic format. The Operations Manual contains 283 pages. The Table of Contents of the Manual is attached as Exhibit F.

3. We will make a representative available to speak with you on the telephone during regular business hours to discuss your operational experiences. (See Section 7.3(e) of Franchise Agreement).

4. We may hold annual conferences to discuss sales techniques, bookkeeping, new product developments, new service suggestions, accounting, inventory control, performance standards, advertising programs and merchandising procedures. There is a conference fee and you must pay all of your travel and living expenses while attending a conference. We strongly recommend, but currently do not require, that you attend these conferences. These elective conferences are held at our Richmond, Virginia headquarters or at a location chosen by us. In addition, we may send to you, on a monthly basis, a copy of the then current newsletter. (See Section 7.3(f) of Franchise Agreement).

5. We will design advertising and marketing materials, which you will purchase from our approved suppliers. We may use outside advertising and marketing agencies to create advertising material.

6. A representative of ours may, in our sole discretion, visit your Outdoor Lighting Business during the first six months of operations. (See Section 7.3(g) of Franchise Agreement).

Advertising Programs

You may not independently advertise on the Internet without prior approval. We intend that any franchisee Web Site be accessed only through our home page, unless we grant you specific approval.

At the present time, advertising placement is done on a local basis, typically by local advertising agencies hired by you. Fees related to advertising are to be raised by you. You must invest a minimum amount in approved local marketing during each 12-month period ("Individual Advertising Investment"). If you operate a standard Outdoor Lighting Perspectives franchise, the Individual Advertising Investment is $40,000. You must invest $20,000 of the Individual Advertising Investment on start-up advertising for the first 90 days after you satisfactorily complete the initial training program ("Start-Up Advertising").

If you operate a Micro Market Franchise, the Individual Advertising Investment is $25,000. This obligation begins the first month you begin operating your Outdoor Lighting Business.

You must submit monthly reports to us reflecting your advertising expenditures. The Individual Advertising Investment must be used by you for local advertising, to be selected and placed by you, in the market in which you operate. These funds are reserved only for marketing, promotions and advertising of

your Outdoor Lighting Business. You must obtain our prior approval of all of your marketing, promotional, and advertising materials.

We do not require you to participate in or to contribute to a local or regional advertising cooperative.

We have formed a national branding and advertising fund ("National Branding and Marketing Fund"). You must contribute to the National Branding and Marketing Fund ("National Branding & Marketing Fee"). This contribution must be made in addition to your Individual Advertising Investment, including your Start-Up Advertising (if applicable). The amount of your National Branding & Marketing Fee is currently 1.5% of your first $1,000,000 of Gross Revenue in any calendar year. If in any calendar year, your Gross Revenue exceeds $1,000,000, you will not be required to pay the National Branding & Marketing Fee on Gross Revenues over $1,000,000 during that calendar year. The Franchise Agreement allows us to increase the amount of your monthly National Branding & Marketing Fee up to 3% of your Gross Revenues in our discretion.

We may occasionally provide for placement of advertising on behalf of the entire Outdoor Lighting System, including franchisees, through the National Branding and Marketing Fund. We reserve the right to use advertising fees from the National Branding and Marketing Fund to place advertising in national media (including broadcast, print or other media) in the future. Advertising funds are used to promote the products sold by franchisees and are not used to directly sell additional franchises. (See Sections 11.1, 11.2 and 11.3 of the Franchise Agreement). All company owned Outdoor Lighting Business, if any, will contribute to the National Branding and Marketing Fund. Unless required by law, we will not be required to deposit the National Branding and Marketing Fund in a separate bank account, commercial account or savings account and we may place the National Branding and Marketing Fund in our general accounts. The National Branding and Marketing Fund will be administered by us, in our discretion, and we may use a professional advertising agency or media buyer to assist us.

We may reimburse ourselves, our authorized representatives or our Affiliates from the National Branding and Marketing Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the National Branding and Marketing Fund. We assume no other direct or indirect liability or obligation to collect amounts due to the National Branding and Marketing Fund or to maintain, direct or administer the National Branding and Marketing Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the National Branding and Marketing Fund on any terms we deem reasonable. Since we do not have this fund audited, audited financial statements are not available to Franchisees. Upon request, we will make available to you an annual accounting for the National Branding and Marketing Fund that shows how the National Branding and Marketing Fund proceeds have been spent for the previous year.

We may use the National Branding and Marketing Fund for the creation, production and placement of commercial advertising; agency costs and commissions; creation and production of video, audio and written advertisements and training materials; administering multi-regional advertising programs, direct mail and other media advertising; in-house staff assistance and related administrative costs; local promotions; supporting public relations; market research; and other advertising and marketing activities, including participating at trade shows. Advertising may be placed in local, regional or national media of our choice, including print, direct mail, radio or television. We do not guarantee that advertising expenditures from the National Branding and Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

During our most recent fiscal year ended December 31, 2017, of the monies that were spent from the National Branding and Marketing Fund, 39.8% was spent on production, 59.1% was spent on media placement of advertising materials, and was spent 1.1% on administrative costs.

Currently we do not have an advertising council composed of Franchisees that advises on advertising polices.

Advertising Cooperative

Currently, we do not have a local or regional advertising cooperative ("Cooperative") composed of franchisees that advises us on advertising policies. However, we have the power to require advertising Cooperatives to be formed, changed, dissolved or merged. We will notify you in writing if a cooperative is formed for your area and the amount of your advertising Cooperative contributions.

Schedule for Opening

Typically, you will open your Outdoor Lighting Business one to four months after you sign the Franchise Agreement. The factors that affect this time frame are the ability to obtain a lease if a location outside of the home is desired obtaining necessary licenses, permits, and certifications, financing, zoning and local ordinances, weather conditions, shortages, and delayed delivery of equipment, fixtures, inventory and vehicle. You may operate your Outdoor Lighting Business from any location. We do not select or approve a site for the Business. The office for the Business may be located in a residence provided that there is a dedicated office space within the residence.

Required Warranty

You must provide to your customers with a warranty on all Products and Services in accordance with the Operations Manual. If you acquire your Outdoor Lighting Business from an existing franchisee, or a previously owned Territory with existing customers from us, you must honor all warranties for work done by the previous franchisee, including labor, materials, and providing all other required services. All dealing and transactions with customers and suppliers must be fair and honest.

Software and Computer Equipment

You must purchase and use the Computer System which meets our specifications and requirements. Currently, you are required to purchase a personal computer which runs on the Windows XP, or later, or the Macintosh operating system ("Hardware"). You must also license the CRM Software detailed below, designated by us to track leads and place customer orders and must also license the landscape and holiday lighting design software (collectively "Software"). You will purchase the Computer System from our designated suppliers and distributors. You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. You must check your email account at least once every day.

You must have sufficient computer skills to be able to operate your computer, understand how to use the Software, and access email and the Internet. If we determine that you require additional computer training, you must take and pay for, at your own expense, a computer training course at a local computer training school. You must complete this training within 90 days of the day we advise you of this requirement, and you must present us with a certificate acceptable to us to show that you passed the course.

We have worked with an outside vendor (currently, ServiceMinder) to develop a proprietary data management and CRM system ("CRM Software"). You are required to use the CRM Software and to pay

us or the outside vendor a regular license and access fee to support the CRM Software. These fees are estimated to range between $0 and $150 per month.

Once completed, this Intranet Software will permit us to receive information on a timely basis concerning sales and customers for your Outdoor Lighting Business. We will have the right to independently access your electronic information and data through our proprietary data management and the Intranet Software, and to collect and use your electronic information and data in any manner we choose to promote the development of the Outdoor Lighting System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management and Intranet Software.

You must purchase or lease, use, maintain and update computer and other systems and software programs which meet our specifications as they evolve over time and which, in some cases, may only be available through designated suppliers in the future. We may change the designated suppliers from time to time on written notice to you. You must maintain your systems network and you must promptly update and otherwise change your Hardware and Software as we require from time-to-time, at your expense. We may designate additional computer software and hardware from time to time. You will pay all amounts charged by any supplier or licensor of the Software and systems used by you, including charges for use, maintenance, support and/or updates of these Software or Systems. We place no caps or limits on the amount you may be required to spend on such charges, upgrades, or additional purchases.

You acknowledge that we may receive a rebate or commission in connection with the Computer Systems purchased, leased, or obtained by you from designated suppliers and that the benefit of such rebate or commission may not necessarily be passed onto you and that we are entitled to keep such rebates or commissions for our own use and benefit.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such communications and computer-related problems.

We estimate the cost of purchasing the Computer System will be approximately $1,200. In addition, you will need to pay a monthly Intranet Software License and Support Fee will range between $0 and $150 per month, currently $0 per month. This fee covers the cost of ongoing maintenance to the Computer System. Other then as described in the Franchise Agreement, we have no contractual obligation to provide you with support services, maintenance, repairs, upgrades, or updates.

Training Program.

The initial training program applies to all Outdoor Lighting Businesses. You or your designated business manager must attend and successfully complete the Initial Training Program to Franchisor's satisfaction. (See Section 8.1(b) of Franchise Agreement). The Initial Training Program is divided into two phases, as follows:

INITIAL TRAINING PROGRAM

Phase I – Richmond, Virginia

Subject	Hours Of Classroom Training	Hours Of In The Field Training	Location
Pre-Opening	1	0	Richmond, Virginia
Marketing and Advertising	8	0	Richmond, Virginia

Subject	Hours Of Classroom Training	Hours Of In The Field Training	Location
Trade Alliances	1	0	Richmond, Virginia
Technology	5	0	Richmond, Virginia
Sales Training	8	0	Richmond, Virginia
Field Training	1	16	Richmond, Virginia
Business Management	3	0	Richmond, Virginia
Service and Maintenance	4	0	Richmond, Virginia
Office Administration and Customer Service	3	0	Richmond, Virginia
Design and Product Knowledge	8	0	Richmond, Virginia
Controls	1	0	
Total	**43**	**16**	Richmond, Virginia

Phase II – Richmond, Virginia (Typically August/September)

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Product Knowledge	3	0	Richmond, Virginia
Marketing and Advertising	2	0	Richmond, Virginia
Sales Methodology	3	0	Richmond, Virginia
Field Installation	0	8	Richmond, Virginia
Business Management	3	0	Richmond, Virginia
Technology	3	0	Richmond, Virginia
Total	**14**	**8**	

The Initial Training Program and other on-going training will be conducted by training personnel under the direction of Rich Young, our Vice President and business unit leader. Prior to becoming our Vice President - OLP, Mr. Young was Director of Franchise Support for OLP (parent and predecessor) from April 2006 until September 2008, at which time he became our Vice President of Franchise Services. We may change or substitute training personnel as necessary, and we may delegate our duties and share our responsibilities with regard to training. Many of the individuals described in Item 2 above serve as trainers in our training program. We use the Operations Manual and online training modules as our primary instructional material during training.

We do not charge for the Initial Training Program but you must pay for travel, lodging and meals for you and one additional person to travel twice to Richmond, Virginia, for the Initial Training Program. (See Section 7.3(d) of Franchise Agreement). You must also pay all other costs required to complete the Initial Training Program, including salaries, benefits and other expenses for you and your employee(s) attending the training session. Because of scheduling issues for most training classes, there may be a period of one to seven months in between Phase I and Phase II.

You will be deemed fully trained and ready to open your Outdoor Lighting Business upon completing Phase I of the Initial Training Program to our satisfaction. If you purchase a franchise for an Outdoor Lighting Business before July 31 of any calendar year, you will be required to attend Phase II training for holiday lighting during the Phase II training program offered in August or September of that year. If you purchase a franchise for an Outdoor Lighting Business after July 31 in the calendar year, you will not be required to attend Phase II training until the next calendar year. After completion of the Initial Training Program, on-the-job training and assistance will be limited to telephone assistance. Assistance with respect to pre-opening and opening activities shall be conducted as reasonably determined by us prior to and including the first week of operation of your business. (See Section 7.3(e) of Franchise Agreement).

ITEM 12
TERRITORY

Standard Franchise

If you purchase an Outdoor Lighting Perspectives franchise, you will receive an exclusive territory to sell the Products and Services you are authorized to sell by the Franchise Agreement ("Territory"). The Territory will be delineated by zip codes. You are not required to reside in or have your commercial location, if any, within the Territory. The size of the Territory depends on population density, zip codes, counties, median household income and economic development. A typical Territory will have a population of 350,000 to 750,000 people with at least 30,000 qualified households, determined in our sole discretion.

Micro Market Franchise

If you purchase a Micro Market Franchise, you will receive an exclusive Territory delineated by zip codes. The size of the Territory depends on population density, zip codes, counties, median household income, and economic development. A typical Territory will have a population of 150,000 to 350,000 people with approximately 20,000 or fewer qualified households determined in our sole discretion.

All Franchises

You will receive an exclusive territory. We will not operate Outdoor Lighting Businesses or grant franchises for an Outdoor Lighting Business within your Territory unless you do not meet your sales quota ("Minimum Annual Sales Quota") in any year. The following chart lists the Minimum Annual Sales Quotas for a standard Outdoor Lighting Perspectives franchise and a Micro Market Franchise:

Year	Standard Franchise Minimum Annual Sales Quota	Micro Market Franchise Minimum Annual Sales Quota
First Year	No Minimum Annual Sales Quota	No Minimum Annual Sales Quota
Second Year	$150,000	$75,000
Third Year and Subsequent Years	$200,000	$100,000

If you fail to meet your Minimum Annual Sales Quota, we have the right to reduce the size of your Territory, grant additional franchises within the Territory or to terminate your franchise upon 30 days' written notice. We may not operate a company-owned Outdoor Lighting Business or grant another franchise for an Outdoor Lighting Business in an existing Territory, but there are no other restrictions on us regarding operating company-owned Outdoor Lighting Businesses or on granting franchised businesses for a similar or competitive business within a defined Territory. These Minimum Annual Sales Quotas are not, and should not be considered, financial performance representations for your Outdoor Lighting Business. We do not furnish or authorize our sales persons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of an Outdoor Lighting Business. Actual results vary from unit to unit and we cannot estimate the results of any particular franchise.

If you sign a Successor Franchise Agreement, your Minimum Annual Sales Quota will be the Minimum Annual Sales Quota you were required to satisfy during the last year of your Initial Term unless our then-current form of Franchise Agreement specifically requires the satisfaction of a different Minimum Annual Sales Quota.

You do not receive the automatic right to acquire additional franchises. Provided you are meeting your Minimum Annual Sales Quota, you will maintain rights to your Territory(ies) even though the population may increase.

You may be granted, in our sole discretion, express permission to sell Products and Services to customers in an unsold Territory adjacent to your Territory ("Adjacent Territory"). Regardless of the type of franchise you own, you may not use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing to make sales in any Adjacent Territory or otherwise outside of your Territory at any time. You must account for and pay Royalty fees on all Gross Revenues generated from sales from Adjacent Territories using a separate "End of Month Reporting Form." You must agree that when this Adjacent Territory is granted to another franchisee, you will, upon receipt of written notice from us, cease all sales and service efforts within the Territory, and return to us, within ten days of the notice, all customer and prospect information related to the Adjacent Territory. You do not have any first claim on the Adjacent Territory.

You may relocate your Outdoor Lighting Business to another location within the Territory if you receive a notice of default or termination under your lease or mortgage or if there is any proposed taking of the Outdoor Lighting Business location or any portion through the exercise of the power of eminent domain. If you open a new Outdoor Lighting Business at another location in accordance with our standards and general specifications within one year of the closing of the old Outdoor Lighting Business, the new one shall be deemed to be the Outdoor Lighting Business licensed under the Franchise Agreement.

We have and retain the right under the Franchise Agreement to develop and establish other franchise systems for the same, similar, or different products, or services utilizing proprietary marks not now or in the future designated as part of the Outdoor Lighting System licensed under the Franchise Agreement, and to grant licenses for these other franchise systems without providing you any right in it. We retain the right to open, operate, sell, manage and/or franchise Outdoor Lighting Businesses outside the Territory.

We are not restricted with respect to the pursuit of any other business concept other than Outdoor Lighting Businesses, or the distribution of outdoor lighting equipment and supplies or holiday and event lighting equipment and supplies to wholesalers or other distribution outlets (other than Outdoor Lighting Businesses), or by Internet commerce (e-commerce), mail order or otherwise, whether inside or outside the Territory.

We reserve for ourselves the exclusive right to market any other products or services utilizing the Proprietary Marks or other marks over the Internet. If we elect to sell the Products that we require you to sell in your Outdoor Lighting Business utilizing the Marks over the Internet (e-commerce) to a customer in your Territory, our supplier or distributor may provide you with a credit in an amount determined by us, in our sole discretion. We are not required to compensate franchisee for any solicitation or acceptance of orders inside your territory.

We may acquire, merge with, or be acquired by any other business, including a business that competes directly with your Outdoor Lighting Business, or to acquire and convert to the System operated by us any businesses offering the installation of low voltage outdoor lighting and/or automated lighting control systems including a lighting business or automated lighting control business operated by competitors located, inside or outside of the Territory, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned.

We may use the Marks and Outdoor Lighting System in connection with the provision of other services and products or in alternative channels of distribution, without regard to location.

We reserve the rights to any Web Sites utilizing a domain name incorporating one or more of the words "Outdoor Lighting Perspectives." You may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the

Marks. We retain the sole right to market on the Internet, including all use of Web Sites, domain names, URL's, linking, advertising, and co-branding arrangements, and in all other forms of electronic media. You will provide us content for our Internet marketing, and sign our Internet and Intranet usage agreements, if any. We also retain the sole right to use the Marks on the Internet, including on Web Sites, as domain names, directory addresses, metatags, and in connection with linking, advertising, co-branding, and other arrangements. We retain the right to approve any linking or other use of our Web Site. You may not establish a presence on or market using the Internet or other form of electronic media (including social technology, social media and social networking platforms) except as we may specify, and only with our prior written consent. We intend that any franchisee site be accessed only through our home page. Your general conduct on the Internet or other forms of electronic media, including your use of the Marks or any advertising, is subject to the terms and conditions of the Franchise Agreement and any other rules, requirements or policies that we may identify from time to time.

ITEM 13
TRADEMARKS

We grant you the right to operate an Outdoor Lighting Business under the name "Outdoor Lighting Perspectives." You may also use our other current or future trademarks to operate your business. By trademark, we mean trade names, trademarks, service marks and logos used to identify your business.

The "Outdoor Lighting Perspectives" mark and related marks and logos ("Marks") are owned by OLBIPC and are licensed exclusively to us. OLBIPC has granted us an exclusive, royalty-bearing license ("Trademark License") to use the Marks for purposes of selling Products and Services associated with the Outdoor Lighting System in the United States. The Trademark License extends for 20 years, commencing March 25, 2005, but it will renew upon our notice to OLBIPC for subsequent ten year periods; provided, we are not in default of the Trademark License. In the event the Trademark License is terminated, OLBIPC has agreed to license the use of the Marks directly to our franchisees until such time as each Franchise Agreement expires or is otherwise terminated.

The following trademarks and other commercial symbols are registered on the Principal Register with the United States Patent and Trademark Office:

Mark	Filing/Registration Date	Serial/Registration Number	Status
OUTDOOR LIGHTING PERSPECTIVES	June 12, 2007	Reg. No. 3,250,972	Registered on the Principal Register

All required affidavits have been filed and accepted by the U.S. Patent & Trademark Office.

In addition, we use a number of unregistered trademarks. You must follow our rules when you use any of these Marks. You cannot use these Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our Marks or any variation of it, in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including but not limited to URLS, domain names, email addresses, locators, links, metatags or search techniques. You must get our prior written approval of your company name before you file any registration documents. You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator. Guidelines regarding proper trademark use and notices are in the Operations Manual and will be updated periodically in our discretion.

No currently effective litigation affects OLBIPC's use or ownership rights in the Marks. We reserve the right to control any litigation or proceeding related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. There are no currently effective material determinations of the patent and trademark office, trademark trial and appeal board, the trademark administrator of any state or court pending infringement, opposition or cancellation, or pending material litigation involving the Marks.

No currently effective agreements, other than the License Agreement, limit our right to use or license the use of the Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Marks. We will take the action that we deem necessary to protect the unauthorized use of the trademarks.

You must modify or discontinue the use of a Mark if we modify or discontinue using the Mark. You must not directly or indirectly contest our or OLBIPC's right to the Marks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of our Marks. You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights. Before opening your Outdoor Lighting Business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise to avoid the possibility of having to change your Outdoor Lighting Business name.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise.

We claim common law rights and copyright protection for our Operations Manual, promotional materials, advertising materials and training materials.

Your entire knowledge of the operation of an Outdoor Lighting Business and Outdoor Lighting System is derived from information disclosed to you by us and certain of the information is proprietary and a trade secret of ours. You must maintain the absolute confidentiality of all proprietary information and trade secrets during and after the term of the franchise and shall not use any of the information in any other business or in any manner not specifically authorized or approved by us in writing.

You may only divulge confidential information to your employees as necessary. All information which we designate as confidential shall be deemed confidential except information which you can demonstrate was a part of the public domain, through publication or communication by others.

You must also promptly tell us when you learn about unauthorized use of our proprietary information and trade secrets. We are not obligated to take any action but will respond to this information as we think appropriate.

We own all records with respect to the customers, suppliers, and other service providers of, and/or related in any way to, your Outdoor Lighting Business including all databases (whether in print, electronic, or other form), including all names, addresses, phone numbers, email addresses, customer purchase records, etc., and may use, assign or transfer these records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise We may contact any and/or all of your customers, suppliers

and other service providers for quality control, market research and such other purposes as we deem appropriate, in our sole discretion.

You must disclose to us all ideas, techniques and products concerning the development and operation of the Outdoor Lighting Business you or your employees conceive or develop during the term of the Franchise Agreement. You must grant to us and agree to obtain from your owners or employees a perpetual, non-exclusive and worldwide right to use these ideas, techniques and products concerning the development and operation of Outdoor Lighting Business that you or your employees conceive or develop during the term of the Franchise Agreement in all outdoor lighting design and installation related products and service businesses that you operate. We will have no obligation to make any lump sum or on-going payments to you with respect to any idea, concept, method, technique or product. You must agree that you will not use nor will you allow any other person or entity to use any of these ideas, techniques or products without obtaining our prior written approval.

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

If you are an individual, you must directly supervise the franchised business on your premises. If you are a business entity, the direct, on-site supervision must be done by a designated business manager. The designated business manager is not required to own a beneficial interest in the business entity.

If we believe you lack sufficient business experience, you must designate an operating manager for your Outdoor Lighting Business. We must approve the selection of the operating manager prior to signing the Franchise Agreement. The operating manager must attend and successfully complete the Initial Training Program, and must abide by the obligations in the Franchise Agreement and the Operations Manual. The operating manager must agree to the same confidentiality and non-competition obligations that you are required to abide by and must sign a confidentiality and non-competition agreement in a form we approve.

If you are a legal or business entity, each individual who owns, directly or indirectly, a five percent or greater interest in you (and, if you are an individual, your immediate family defined as your spouse and domestic partner) must sign the Guaranty and Assumption of Franchisee's Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those Products and Services that we have approved and that meet the standards and specifications set by us.

You must offer all Products and Services that we designate as required for all franchisees within your market area. We have the right to change the Products and Services that you must offer in your area, with prior notice to you.

You must purchase supplies and equipment used in your Outdoor Lighting Business from a vendor approved by us that meets the standards and specifications set by us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of Franchise Term	Section 3.1	Seven years
b. Renewal or extension of the term	Section 3	Equal to our then-current initial term (but no less than 5 years)
c. Requirements for Franchisee to renew or extend	Section 3	Requirements include: sign our then-current successor franchise agreement ("Successor Franchise Agreement") for the Successor Term, and this new Franchise Agreement may have materially different terms and conditions (including, *e.g.* higher royalty or monthly brand licensing fees and advertising contributions) from the Franchise Agreement that covered your original term, be current in all payments, not have committed 2 breaches in the 24 months before the end of the term, sign release, pay renewal fee, meet our qualifications for new and renewing franchisees, provide notice, upgrade the computer system and vehicle, and provide proof of current licenses, insurance and permit.
d. Termination by Franchisee	Not Applicable	Not applicable
e. Termination by Franchisor without cause	Not Applicable	Not applicable
f. Termination by Franchisor with cause	Section 17	Can terminate upon certain violations of the Franchise Agreement by you
g. "Cause" defined - curable defaults	Section 17	You have 30 days to cure the defaults listed in Section 17.2 of the Franchise Agreement including, but not limited to, failure to submit monthly Gross Revenue statements, failure to comply with the Operations Manual, failure to pay your Note when due, and failure to obtain our prior consent when required
h. "Cause" defined – non-curable defaults	Section 17	The non-curable defaults set out in Section 17.1 of the Franchise Agreement, including repeated defaults even if cured, abandonment, trademark misuses and unapproved transfers
i. Franchisee's obligations on termination/non-renewal	Sections 10, 12 14, 17	Obligations include complete de-identification, payment of amounts due and return of all Confidential Information and records
j. Assignment of contract by Franchisor	Section 15.1	No restriction on our right to assign
k. "Transfer" by Franchisee – definition	Section 15	Includes transfer of contract or assets or ownership change
l. Franchisor approval of transfer by Franchisee	Section 15	We have the right to approve all transfers
m. Conditions for Franchisor approval of transfer	Section 15.7	New franchisee qualifies (new franchisee must travel to our headquarters at its own expense as part of our approval process), transfer fee paid, purchase agreement approved, training arranged, release signed by you and current Franchise Agreement signed by new franchisee
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 16	We can match any offer for your Outdoor Lighting Business

Provision	Section in Franchise Agreement	Summary
o. Franchisor's option to purchase Franchisee's business	Section 16	We may, but are not required to, purchase your inventory and equipment at fair market value if your franchise is terminated for any reason
p. Death or disability of Franchisee	Section 15.9	Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 days
q. Non-competition covenants during the term of franchise	Section 14	No involvement in outdoor lighting business
r. Non-competition covenants after the franchise is terminated or expires	Section 14	No involvement in outdoor lighting business for 2 years (i) in the Territory or any other Franchisee's Territory; (ii) 10 miles of the Territory or any other Franchisee's Territory or (iii) 10 miles of any of our or our affiliate owned Businesses
s. Modification of agreement	Section 21.11	No modifications of Franchise Agreement during term generally, unless mutually agreed to by the parties in writing, Operating Manual subject to change
t. Integration/merger clause	Section 21.5	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20	Except for certain claims, all disputes must be arbitrated in Virginia (subject to state law)
v. Choice of forum	Section 20.1	Arbitration and litigation must be in Virginia, except as provided in the State Specific Addenda (See Exhibit E)
w. Choice of law	Section 21.1	Virginia law applies, except as provided in the State Specific Addenda (See Exhibit E)

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Written substantiation of the data used in preparing the financial performance representations included in this ITEM 19 will be made available to you upon reasonable request.

A. Average Gross Sales for Outdoor Lighting Businesses for the 12 Months Ending December 31, 2017

The following table presents Gross Sales information realized by certain Outdoor Lighting franchisees in the United States during the period between January 1, 2017 and December 31, 2017 ("Reporting Period"). The information provided in the table below was compiled from 41 Outdoor Lighting

franchisees that were operational during the Reporting Period, including Outdoor Lighting franchisees operating in the United States and internationally (one in Canada and one in Kuwait). The data excludes 6 franchisees that were operational during the Reporting Period but operate in 2 Territories under 2 different Franchise Agreements during the entire Reporting Period and report Gross Sales to us for both Territories on the same report, and 4 franchisees that were operational during the Reporting Period that either began operations or ceased active operations during the Reporting Period. For the data that we received from the international franchisees, we calculated their Gross Sales in local currency and converted to US Dollars.

Single Territory Franchisees

							Years in Business			
Sales Volume	**Number of Franchisees**	**Minimum**	**Average**	**Maximum**	**Median**	**# of Franchisees Above Average (and %)**	**Minimum**	**Average**	**Maximum**	**% of Franchisees**
Greater than $800K	6	829,232	1,374,673	2,312,285	1,057,620	2 (33%)	8.0	14.3	16.1	14.6%
Between $800K – $400K	11	436,025	567,697	711,673	595,101	6 (55%)	3.9	10.6	17.0	26.8%
Between $400K - $200K	17	213,899	283,849	374,377	277,578	7 (41%)	1.0	7.8	16.7	41.5%
Less than $200K	7	31,544	116,579	196,508	113,844	3 (43%)	2.0	6.2	19.0	17.1%
Totals	**41**		**491,079**		**341,359**	13 (32%)		**9.2**		**100.0%**

[Remainder of page intentionally left blank.]

The information provided in the table below was compiled from the 6 Outdoor Lighting franchisees that were operational during the Reporting Period but not included in the table above because they operate in 2 Territories under 2 different Franchise Agreements. These 6 Outdoor Lighting franchisees reported Gross Sales to us for both Territories on the same report. As a result, for the purposes of the table below, each of these 6 Outdoor Lighting franchisees was considered to be 1 franchisee even though they operate in 2 Territories.

Multi-Territory Franchisees									
						Years in Business			
Number of Franchisees	Minimum	Average	Maximum	Median	# of Franchisees Above Average (and %)	Minimum	Average	Maximum	% of Franchisees
6	227,325	687,023	1,646,492	613,796	1 (17%)	1.7.4	7.3	13.5	100%

Additionally, our affiliate, OLBFO, operated one Outdoor Lighting Business in 2 Territories in Charlotte, NC and achieved $479,990 of Gross Sales during the calendar year ended December 31, 2017. This Outdoor Lighting Business reflects the standard OUTDOOR LIGHTING PERSPECTIVES business prototype and offers the same products and services as those offered by franchised Outdoor Lighting Businesses.

The Average Gross Sales figures presented above represent the total dollar value of customer installation contracts and ongoing maintenance services sold during the Reporting Period by the Outdoor Lighting franchisees identified above. The financial performance representations above do not reflect the costs of sales, royalties or operating expenses that must be deducted from the gross sales figures to obtain a net income or owner's profit number. The best source of cost and expense data may be from current or former franchisees as listed in this disclosure document.

B. Gross Margin Benchmarking Study for Outdoor Lighting Businesses for the 12 Months Ending December 31, 2016

In 2017, we conducted a financial Benchmarking Study for Outdoor Lighting franchisees. The Benchmarking Study was conducted solely on a voluntary basis and was offered only to franchisees who had been operating their Outdoor Lighting Businesses at least twelve months at the time of the Benchmarking Study. As a result, 4 franchisees who joined the system in 2016 were ineligible to participate in the Benchmarking Study. Interested franchisees were required to submit their income statements for the year ending December 31, 2016 ("Benchmarking Reporting Period"). We then calculated certain financial metrics to allow participants to compare their financial performance against their peer group of Outdoor Lighting franchisees. 41 out of 52 (79%) Outdoor Lighting franchised Territories as of December 31, 2016, participated in the Benchmarking Study. Of the 41 Outdoor Lighting franchised territories, 40 franchised Territories were located in the United States and 1 franchised Territory was located in Canada. We have reviewed the composition of franchise participants and believe it contains a random, representative sampling of Outdoor Lighting franchised Territories based on level of sales, years in the business and geography.

The Benchmarking Study examined a number of key performance metrics, and we have determined that Gross Profit Margin is helpful to prospective franchisees looking to acquire the rights to operate one or more Outdoor Lighting Businesses. For purposes of the Benchmarking Study, Gross Profit Margin measures profitability after material, installation labor and other direct installation costs are subtracted from gross revenue. It is calculated by dividing gross profit dollars by gross revenues. While Gross Profit

Margin measures profitability after material, installation labor and other direct costs are subtracted from gross revenue, it excludes royalties, any commissions and other operating expenses.

The table below provides a breakdown of average and median Gross Profit Margins among the Outdoor Lighting franchisees participating in the Benchmarking Study.

	Participating Outdoor Lighting Perspectives Franchised Territories	Sales Under $350,000	Sales Over $350,000	Less than 9 Years in Business	More than 9 Years in Business
Number of Franchisees Reporting	41	19	22	20	21
Gross Profit Margin (Median)	56.9%	55.3%	58.4%	56.3%	57.9%
Gross Profit Margin (Average)	55.5%	52.5%	58.5%	54.4%	56.6%

The above results taken from the Benchmarking Study are provided to prospective franchisees in evaluating the experience of existing Outdoor Lighting Businesses who participated in the study and not as a projection or forecast of what a new Outdoor Lighting Business may experience. A new franchisee's financial results are likely to differ from the results provided above.

The financial information utilized in the benchmarking study was based entirely upon information voluntarily reported by the 41 Outdoor Lighting franchised Territories who participated in the benchmarking study, and none of this information has been audited or otherwise reviewed or investigated by us or by any independent accountant or auditing firm, and no one has audited, reviewed or otherwise evaluated this information for accuracy or expressed his/her opinion with regard to its content or form.

In preparing any pro forma financial projections, you and other prospective franchisees must keep in mind that each individual franchisee's experience is unique and results may vary, depending on a number of factors. These factors include general economic conditions of the franchise territory, demographics, competition, effectiveness of the franchisee in the management of the Outdoor Lighting Business, the general state of the economy in your Territory, and the use of the Outdoor Lighting System, scope of investment and the overall efficiency of the franchise operation.

C. Median Retail Price Per Project, Number of Fixtures Installed, and Median Retail Price Per Fixture during the Last Twelve Months Ending December 31, 2017.

The table below presents the median and average "Average Retail Price Per Project," median and average "Average Number of Fixtures Installed" and median and average "Average Retail Price Per Fixture" for new OUTDOOR LIGHTING PERSPECTIVES installation projects by certain Outdoor Lighting Businesses in the twelve month period ending December 31, 2017 ("Reporting Period").

The information provided in the table below was compiled from 30 of the 58 (52%) OUTDOOR LIGHTING PERSPECTIVES franchised territories that were operational during the Reporting Period, including all Outdoor Lighting franchised territories operating in the United States and internationally ("Reporting Franchised Territories"). The data excludes franchised territories that either began operations or ceased active operations during the Reporting Period and franchised territories that did not provide the data necessary to analyze the number of new lighting system installation projects or the number of fixtures installed in new lighting system installations. The information provided in the table below was compiled by examining 2,105 new OUTDOOR LIGHTING PERSPECTIVES installation projects identified from the 30 Reporting Franchise Territories as reported from annual reports captured from the Reporting Franchise Territories' customer relationship management software during the Reporting Period. Examination of the annual reports clearly identified 2,105 new OUTDOOR LIGHTING PERSPECTIVES installation projects, the total revenues from each new installation project and the number of lighting fixtures installed on new installation projects for each Reporting Franchise Territory.

Further, it is important to note that installation of "new" outdoor lighting systems represents only a portion of the overall activities performed by an OUTDOOR LIGHTING PERSPECTIVES franchisee in the operation of the Outdoor Lighting Business. Other activities and revenue included in the Outdoor Lighting Business include revenue from the design and installation of holiday lighting systems, commercial outdoor lighting projects, maintenance and service on existing installed residential architectural and landscape lighting systems, add-ons or expansions of existing residential lighting systems, revenues from contractual annual maintenance plans, or revenue from retro fitting existing installed lighting systems to new LED technology.

These 2,105 new OUTDOOR LIGHTING PERSPECTIVE installation projects completed by the Reporting Franchise Territories generated a total of $6,773,813 in retail sales, which represents 27.5% of all the retail sales performed by all Outdoor Lighting franchised Territories during the 12-month period ending December 31, 2017. The data in the table excludes: (i) revenues from new OUTDOOR LIGHTING PERSPECTIVE installation projects where the number of lighting fixtures installed were not reported; (ii) revenue from installations of additional OUTDOOR LIGHTING PERSPECTIVE fixtures that are being added to an existing OUTDOOR LIGHTING PERSPECTIVE system, otherwise known as an "add-on sale"; (iii) revenues derived from maintenance and service work on previously installed OUTDOOR LIGHTING PERSPECTIVE systems; (iv) revenues derived from holiday decorative lighting systems; and (v) revenues derived from commercial lighting projects. Our management team has reviewed the composition of the Reporting Franchise Territories that completed the 2,105 new lighting system installation projects was determined that the set of franchisees comprised a random, representative sampling of Outdoor Lighting Businesses based on level of sales, years in the business, and geographic location.

	Median	**Average**	**Maximum**	**Minimum**	**# of Franchisees above average (and %)**
Average Retail Price per Project(1)	$3,074	$3,074	$6,664	$889	13 (43%)
Average Number of Fixtures Installed(2)	11.9	12.8	25.0	3.7	12 (40%)
Average Retail Price per Fixture(3)	$270.49	$265.06	$432.65	$132.48	16(53%)

(1) The Average Retail Price Per Project is calculated by taking the total dollar sales from new installation projects for a particular Reporting Franchise Territory divided by the total number of new installation projects completed by such Reporting Franchise Territory.

(2) The Average Number of Fixtures Installed is calculated by taking the total number of fixtures installed on new OUTDOOR LIGHTING PERSPECTIVE installation projects for a particular Reporting Franchise Territory divided by the total number of new installation projects completed by such Reporting Franchise Territory.

(3) The Average Retail Price Per Fixture is calculated by taking the total dollar sales from new installation projects for a particular Reporting Franchise Territory, divided by the total number of lighting fixtures installed on new installation projects completed by such Reporting Franchise Territory.

The figures in the table above reflect only the revenues from the Average Retail Price Per Fixture and the Average Retail Price Per Project; they do not reflect the direct variable costs of a new OUTDOOR LIGHTING PERSPECTIVE system installation project which would include the direct cost of the lighting fixture, the cost of wire, the cost of a transformer, the cost of other normal lighting installation materials and the direct cost of labor to install the new outdoor lighting system.

Additionally, other fixed and variable costs and expenses associated with operating an Outdoor Lighting Business, including franchisee's salary, administrative salaries, sales expenses, automobile expenses, insurance costs and advertising and marketing expenses are not considered in the measurement

of Average Retail Price Per Fixture and Average Retail Price Per Project. You should conduct an independent investigation of the potential costs and expenses you will incur in operating your Outdoor Lighting Business.

NOTES THAT APPLY TO ALL SECTIONS ABOVE

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

The financial information we utilized in preparing the preceding financial performance representations was based entirely upon information reported to us by Outdoor Lighting Businesses. None of this information was audited or otherwise reviewed or investigated by us or by any independent accountant or auditing firm, and no one has audited, reviewed or otherwise evaluated this information for accuracy or expressed his/her opinion with regard to its content or form.

In preparing any pro forma financial projections, you and other prospective franchisees must keep in mind that each individual franchisee's experience is unique and results may vary, depending on a number of factors. These factors include general economic conditions of the franchisee's territory, demographics, competition, and effectiveness of the franchisee in the management of the franchised business and the use of the Outdoor Lighting System, scope of investment and the overall efficiency of the franchise operation.

You are responsible for developing your own business plan for your Outdoor Lighting Business, including capital budgets, financial statements, projections, pro forma financial statements and other elements appropriate to your particular circumstances. In preparing your business plan, we encourage you to consult with your own accounting, business and legal advisors to assist you to identify the expenses you likely will incur in connection with your Outdoor Lighting Business to prepare your budgets, and to assess the likely or potential financial performance of your Outdoor Lighting Business.

In developing the business plan for your Outdoor Lighting Business, you are cautioned to make necessary allowance for changes in financial results to income; expenses or both that may result from operation of your Outdoor Lighting Business during periods of, or in geographic areas suffering from, economic downturns, inflation, unemployment, or other negative economic influences.

Other than the preceding financial performance representations, we do not make any financial performance representations. 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 Chris Grandpre, Outdoor Lighting Perspectives Franchising, Inc., 2924 Emerywood Parkway, Suite 101, Richmond, Virginia 23294, (804) 353-6999, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2015-2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised(1)	2015	42	48	+6
	2016	48	52	+4
	2017	52	53	+1
Company-Owned	2015	0	0	0
	2016	0	0	0
	2017	0	2	+2
Total Outlets	2015	42	48	+6
	2016	48	52	+4
	2017	52	55	+3

Notes:

(1) Totals included in this table relate to franchisees located in the United States only. International franchisees are excluded.

Table No. 2

Transfers of Franchised Outlets
For Years 2015-2017

State	Year	Number of Transfers
New Jersey	2015	0
	2016	2
	2017	0
Pennsylvania	2015	0
	2016	1
	2017	0
Texas	2015	0
	2016	0
	2017	1
Totals	2015	0
	2016	3
	2017	1

Table No. 3

Status of Franchised Outlets
For Years 2015-2017

State	Year	Outlets at Start of the Year	Outlets Added	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Arizona	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Arkansas	2015	0	0	0	0	0	0	0
	2016	0	2	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Colorado	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Delaware	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Florida	2015	4	0	0	0	0	0	4
	2016	4	1	0	0	0	0	5
	2017	5	0	0	0	0	0	5
Georgia	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
Illinois	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Kansas	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Kentucky	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Louisiana	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Maryland	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Minnesota	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	1	0	0	0	0	2
Missouri	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Added	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
New Jersey	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
New York	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
North Carolina	2015	3	1	0	0	0	0	4
	2016	4	0	0	0	0	0	4
	2017	4	0	1	0	1	0	2
Ohio	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
Oklahoma	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Pennsylvania	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
South Carolina	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
Tennessee	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
Texas	2015	2	2	0	0	0	0	4
	2016	4	1	0	0	0	0	5
	2017	5	0	0	0	0	0	5
Virginia	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	1	3
	2017	3	1	0	0	0	0	4
Washington	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
West Virginia	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Domestic	2015	**42**	**6**	**0**	**0**	**0**	**0**	**48**
Total	2016	**48**	**5**	**0**	**0**	**0**	**1**	**52**
	2017	**52**	**3**	**1**	**0**	**1**	**0**	**53**

State	Year	Outlets at Start of the Year	Outlets Added	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Canada	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Kuwait	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Saudi Arabia	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	1	0
International Total	**2015**	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2016	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2017	**3**	**0**	**0**	**0**	**0**	**1**	**2**

Table No. 4

Status of Company-Owned Outlets
For Years 2015-2017

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
North Carolina	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	1	1	0	0	2
Total Outlets	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	1	1	0	0	2

Table No. 5

Projected Openings as of
December 31, 2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Florida	0	2	0
Georgia	0	1	0
Indiana	0	1	0
Maryland	0	1	0
Massachusetts	0	1	0
New Jersey	0	2	0
Utah	0	1	0
Total	0	10	0

The names, addresses and telephone numbers of all current franchisees including franchisees with unopened locations are listed in Exhibit C. Also listed in Exhibit C are the name and last known home address and telephone number of every franchisee who had an outlet terminated, canceled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement

during 2017 or who has not communicated with the franchisor within 10 weeks of the date of this franchise disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not signed any confidentiality agreements with any franchisees during the last three fiscal years. As of December 31, 2017, we are not offering any existing franchised outlets to prospective franchisees, including those that have been reacquired by us or are still being operated by current franchisees pending a transfer. In the event that we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate Addendum to this franchise disclosure document.

We are not aware of any trademark-specific franchisee associations required to be disclosed in this Item.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as Exhibit A are Outdoor Living Brands' audited financial statements for the years ending December 31, 2017, 2016, and 2015. The independent auditor's report is also enclosed. Outdoor Living Brands absolutely and unconditionally guarantees our obligations under the Franchise Agreement. A copy of this guarantee can be found in Exhibit A.

ITEM 22
CONTRACTS

Attached are the following agreements proposed for use in connection with our offering of franchises:

Exhibit:

B. Franchise Agreement

Attachment A:	Initial Fees and Territory
Attachment B:	Guaranty And Assumption Of Franchisee's Obligations
Attachment C:	Statement Of Ownership
Attachment D:	Collateral Assignment Of Telephone Numbers, Telephone Listings And Internet Addresses
Attachment E:	Electronic Payment Authorization
Attachment F:	Sample Acknowledgment of Termination and Release Agreement

E. State-Specific Addenda

J. Non-Disclosure and Non-Competition Agreement

ITEM 23
RECEIPT

The last two pages of the franchise disclosure document (following the exhibits and attachments) are receipt pages acknowledging your receipt of the franchise disclosure document. One copy is for your records, and one copy must be signed and dated by you and returned to us.

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT A

FINANCIAL STATEMENTS

Outdoor Living Brands, Inc. and Subsidiaries

Consolidated Financial Statements

Richmond, Virginia

As of and for the Years Ended December 31, 2017, 2016, and 2015

Outdoor Living Brands, Inc. and Subsidiaries

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LBA Haynes Strand, PLLC
Accounting Ahead of the Curve

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Outdoor Living Brands, Inc. and Subsidiaries
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Outdoor Living Brands, Inc. and Subsidiaries which comprise the consolidated balance sheets as of December 31, 2017, 2016 and 2015, and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

LBA Haynes Strand, PLLC
Accounting Ahead of the Curve

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Outdoor Living Brands, Inc. and Subsidiaries as of December 31, 2017, 2016 and 2015, 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.

LBA Haynes Strand, PLLC

Matthews, North Carolina
March 22, 2018

Outdoor Living Brands, Inc. and Subsidiaries

Consolidated Balance Sheets
As of December 31, 2017, 2016, and 2015

Assets	2017	2016	2015
Current Assets			
Cash and cash equivalents	$ 1,119,196	$ 1,021,509	$ 664,810
Accounts receivable - trade, net of allowance	3,774,252	1,346,793	1,517,448
Current portion of notes receivable, net of allowance	238,045	165,553	96,059
Work in progress	1,432,496	-	-
Inventories	85,704	47,489	121,087
Prepaid expenses and other current assets	367,585	601,558	426,204
Total Current Assets	7,017,278	3,182,902	2,825,608
Property and Equipment			
Property and equipment	1,196,038	998,020	834,227
Less accumulated depreciation	(888,946)	(767,553)	(666,956)
Total Property and Equipment	307,092	230,467	167,271
Other Assets			
Notes receivable - long-term, net of current portion	292,442	237,469	89,415
Intangible assets, net of amortization	142,379	19,000	25,000
Goodwill	5,543,347	3,152,094	3,152,094
Security deposit	7,689	7,514	7,514
Total Other Assets	5,985,857	3,416,077	3,274,023
Total Assets	$ 13,310,227	$ 6,829,446	$ 6,266,902
Liabilities and Stockholders' Equity			
Current Liabilities			
Accounts payable	$ 795,174	$ 228,571	$ 438,414
Current portion of long-term debt	426,290	57,233	76,872
Line of credit	100,000	-	-
Accrued liabilities	617,014	401,682	292,472
Customer deposits	2,217,917	-	-
Deferred revenue - franchise sales	49,500	129,200	25,000
Deferred fee revenue	169,439	52,093	173,178
Accrued franchise expenses	18,008	41,099	-
Total Current Liabilities	4,393,342	909,878	1,005,936
Long-Term Debt			
Long-term debt, net of current portion	1,712,530	-	52,386
Contingent liability	175,000	-	-
Total Long-Term Debt	1,887,530	-	52,386
Total Liabilities	6,280,872	909,878	1,058,322
Stockholders' Equity			
Common stock	120	109	110
Additional paid-in capital	2,657,081	3,892,394	5,242,139
Retained earnings (accumulated deficit)	4,219,218	2,027,065	(33,669)
Noncontrolling interest	152,936	-	-
Total Stockholders' Equity	7,029,355	5,919,568	5,208,580
Total Liabilities and Stockholders' Equity	$ 13,310,227	$ 6,829,446	$ 6,266,902

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

Outdoor Living Brands, Inc. and Subsidiaries

Consolidated Statements of Operations
For the Years Ended December 31, 2017, 2016, and 2015

	2017	2016	2015
Revenue			
Royalty fees and services	$ 7,614,303	$ 7,019,576	$ 6,167,020
Franchise sales	1,505,400	1,331,690	1,125,220
Product sales	9,499,321	5,926,108	4,465,686
Franchise owned sales	9,956,233	-	-
National account sales	1,127,183	-	-
Other revenues	1,212,151	983,512	766,340
Total Revenue	30,914,591	15,260,886	12,524,266
Operating Expenses			
Cost of product sales	9,091,974	5,518,878	4,138,948
Franchise owned direct expenses	6,542,747	-	-
Advertising and marketing	1,895,190	1,217,117	1,336,220
Salaries and benefits	6,287,092	3,566,954	3,372,206
Cost of national account sales	1,007,475	-	-
General and administrative	3,605,563	2,977,177	2,599,426
Total Operating Expenses	28,430,041	13,280,126	11,446,800
Operating Income	$ 2,484,550	$ 1,980,760	$ 1,077,466
Other (Expenses) Income			
Other (expense) income	(131,456)	75,668	(56,821)
Interest - net	(58,005)	4,306	(3,079)
Total Other (Expenses) Income	(189,461)	79,974	(59,900)
Consolidated Net Income	$ 2,295,089	$ 2,060,734	$ 1,017,566
Less: Net income - Noncontrolling Interest	(102,936)	-	-
Net Income - Attributable to Outdoor Living Brands, Inc. and Subsidiaries	$ 2,192,153	$ 2,060,734	$ 1,017,566

Outdoor Living Brands, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity
As of and for the Years Ended December 31, 2017, 2016, and 2015

	Common Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Noncontrolling Interest	Total
Balance, December 31, 2014	$ 103	$ 5,896,814	$ (1,051,235)	$ -	$ 4,845,682
Issuance of common stock	7	-	-	-	7
Capital contributions	-	115,325	-	-	115,325
Dividends paid to stockholders	-	(770,000)	-	-	(770,000)
Net income	-	-	1,017,566	-	1,017,566
Balance, December 31, 2015	$ 110	$ 5,242,139	$ (33,669)	$ -	$ 5,208,580
Repurchase of common stock	(1)	-	-	-	(1)
Repurchase of common stock	-	(19,745)	-	-	(19,745)
Dividends paid to stockholders	-	(1,330,000)	-	-	(1,330,000)
Net income	-	-	2,060,734	-	2,060,734
Balance, December 31, 2016	$ 109	$ 3,892,394	$ 2,027,065	$ -	$ 5,919,568
Issuance of common stock	13	-	-	-	13
Repurchase of common stock	(2)	-	-	-	(2)
Capital contributions	-	363,157	-	50,000	413,157
Repurchase of common stock	-	(58,470)	-	-	(58,470)
Dividends paid to stockholders	-	(1,540,000)	-	-	(1,540,000)
Net income	-	-	2,192,153	102,936	2,295,089
Balance, December 31, 2017	$ 120	$ 2,657,081	$ 4,219,218	$ 152,936	$ 7,029,355

Outdoor Living Brands, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
As of and for the Years Ended December 31, 2017, 2016, and 2015

	2017	2016	2015
Cash Flows from Operating Activities			
Net income	$ 2,295,089	$ 2,060,734	$ 1,017,566
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	121,393	100,597	105,253
Amortization	20,621	6,000	6,000
Stock based compensation	288,326	-	115,325
Provision for bad debt	252,894	85,268	87,104
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(2,089,065)	85,387	(626,814)
Work in progress	(110,913)	-	-
Inventories	66,742	73,598	(56,279)
Prepaid expenses and other assets	255,792	(175,354)	55,239
Increase (decrease) in:			
Accounts payable	194,894	(209,843)	354,010
Accrued liabilities	143,256	109,210	(20,142)
Customer deposit	197,390	-	-
Deferred revenue - franchise sales	(79,700)	104,200	(15,000)
Deferred fee revenue	117,346	(121,085)	29,380
Accrued franchise expenses	(23,091)	41,099	(64,001)
Net Cash Provided by Operating Activities	1,650,974	2,159,811	987,641
Cash Flows from Investing Activities			
Acquisition and investment in subsidiary (see Note K)	(1,673,726)	-	-
Purchase of property and equipment	(129,518)	(163,793)	(95,645)
Net Cash (Used in) Investing Activities	(1,803,244)	(163,793)	(95,645)
Cash Flows from Financing Activities			
Issuance of common stock	13	-	7
Repurchase of common stock	(2)	(1)	-
Disbursements on notes receivable	(127,465)	(217,548)	64,640
Proceeds on long term debt	2,100,000	-	-
Principal payments on long-term debt	(348,950)	(72,025)	(68,434)
Noncontrolling interest	50,000	-	-
Net borrowings on line of credit	100,000	-	-
Contribution of capital, net stock based compensation	74,831	-	-
Reduction of capital, repurchase of common stock	(58,470)	(19,745)	-
Dividends paid to stockholders	(1,540,000)	(1,330,000)	(770,000)
Net Cash Provided by (Used in) Financing Activities	249,957	(1,639,319)	(773,787)
Net Increase (Decrease) in Cash and Cash Equivalents	97,687	356,699	118,209
Cash and cash equivalents:			
Beginning	1,021,509	664,810	546,601
Ending	$ 1,119,196	$ 1,021,509	$ 664,810
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 82,215	$ 4,852	$ 9,648

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
OUTDOOR LIVING BRANDS, INC. AND SUBSIDIARIES
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 and 2015

NOTE A – ORGANIZATION AND NATURE OF BUSINESS

Outdoor Living Brands, Inc. (the "Company"), a Delaware corporation, located in Virginia, operates as the holding company for multiple franchise brands serving the outdoor living product and service markets. Its customers are primarily located throughout the United States and Canada.

Currently, the Company's affiliates operate five franchise brands under the trade names Archadeck Outdoor Living, Outdoor Lighting Perspectives, Mosquito Squad, Renew Crew and Conserva Irrigation. The Company's business is to own businesses that sell franchises and provide support for franchisees using standardized products, services and procedures developed by the franchisor, and operate company owned locations.

Archadeck franchises design, sell and construct decks, porches, screened rooms, sunrooms, outdoor kitchens, hardscaped patios and other custom outdoor living space projects. Outdoor Lighting Perspectives franchises provide outdoor lighting and holiday lighting design and installation and maintenance services for residential and commercial clients. Mosquito Squad franchises provide outdoor pest management products and services. Renew Crew franchises provide exterior surface cleaning and protection services for residential and commercial clients. Conserva Irrigation franchises provides upgrades, maintenance, and installation of outdoor irrigation services for residential and commercial clients.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Outdoor Living Brands, Inc., and its wholly-owned subsidiaries (collectively, the "Company and Subsidiaries"), which includes Outdoor Lighting Perspectives Holding Corporation, Outdoor Lighting Perspectives Franchising, Inc., Outdoor Living Brands Intellectual Property Corporation, Outdoor Lighting Perspectives International Inc. (collectively, Outdoor Lighting Perspectives), Archadeck Franchising Corporation (Archadeck), Mosquito Squad Franchising Corp. (Mosquito Squad), Renew Crew Franchising Corp. (Renew Crew), Outdoor Living Brands Supply Corporation, Outdoor Living Brands Management, Inc., Outdoor Living Brands Field Operations, Inc., and Conserva Irrigation Franchising, LLC (Conserva). Intercompany transactions and balances have been eliminated in consolidation.

Cash Equivalents

Cash equivalents consist of highly liquid investments purchased with a maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short-term maturities of those financial instruments.

Concentration of Custodial Risk

For cash and cash equivalents, custodial risk is the risk that, in the event of the failure of the counterparty, the Company will not be able to recover the value of its cash and cash equivalents that are in the possession of its banking institutions. The Company maintains its cash and cash equivalents at banking institutions that are members of the Federal Deposit Insurance Corporation (FDIC). FDIC guidelines guarantee $250,000 per depositor, per insured bank. As of December 31, 2017, 2016 and 2015, the Company had $897,761, $927,894 and $619,325 in excess of FDIC insured limits, respectively.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of accounts and notes receivable.

The Company grants credit with net 30-day payment terms, to its franchisees in the normal course of business. Franchisees are dispersed among the Company's broad customer base throughout the United States, Canada, Kuwait, and Saudi Arabia.

Approximately 27%, 38% and 26% of the Company's gross accounts receivable was due from manufacturing and national account service partners, at December 31, 2017, 2016 and 2015, respectively.

Accounts Receivable and Bad Debt

Accounts Receivable are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual franchisee accounts receivable balances that the Company specifically knows may be uncollectible. In making such determination, the Company also considers a franchisee's financial condition, credit history, and current economic conditions. A similar method is used for determining the allowance for doubtful accounts for company owned franchisees, in which historical factors are considered along with the evaluation of customer circumstances on a job-to-job basis. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance for doubtful accounts receivable was $316,223, $100,514 and $177,419 at December 31, 2017, 2016 and 2015, respectively.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method, and market represents the lower of replacement cost or estimated net realizable value. Inventories consist of packaged products for resale to franchisees and general parts, pieces, and instruments used in the construction, installation and maintenance for customers of franchisee owned locations.

Property and Equipment

Acquisitions of property and equipment are recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the consolidated statements of operations. Depreciation is computed using the straight-line method for financial statement purposes. Leasehold improvements are depreciated over the shorter of the life of the lease or the estimated useful life. Depreciation expense for the years ended December 31, 2017, 2016 and 2015 was $121,393, $100,597 and $105,253, respectively.

The estimated useful lives of major asset classes of property and equipment are as follows:

Software	3 years
Tools and equipment	3 years
Furniture and office equipment	3 to 7 years
Leasehold improvements	5 years
Vehicles	5 years

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill and Intangible Assets

The Company accounts for acquisitions of businesses beginning on or after December 31, 2008, in accordance with ASC 805, *Business Combinations.* Goodwill in such acquisitions represents the excess of the cost of a business acquired over the net of the amounts assigned to assets acquired, including identifiable intangible assets and liabilities assumed.

ASC 805 specifies criteria to be used in determining whether intangible assets acquired in a business combination must be recognized and reported separately from goodwill. Amounts assigned to goodwill and other identifiable intangible assets are based on internal estimates.

The Company accounts for recorded goodwill and other intangible assets in accordance with ASC 350, *Goodwill and Other Intangible Assets.* The Company does not amortize goodwill or indefinite intangible assets. Management evaluates the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life. Amortizable intangible assets are amortized on a straight-line basis over their useful life.

In accordance with the requirements of ASC 350, the Company has performed a qualitative goodwill impairment assessment. The goodwill impairment assessment consisted of a comparison of the fair value of goodwill with its related carrying value. The fair value is an estimate of the amount for which the entity could be sold in a current transaction between willing parties. Generally, estimates of fair value are based on discounted cash flows. If the carrying value exceeds its estimated fair value, goodwill is written down to its implied fair value. Management has selected December 31 as the date on which to perform its annual qualitative impairment assessment on goodwill. Goodwill was found to be unimpaired at December 31, 2017, 2016 and 2015. See NOTE E for further disclosure.

Advertising Costs

The Company expenses advertising costs as they are incurred.

Estimates

The preparation of consolidated financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Income Tax Status

The Company elected, with consent of its stockholders, to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under these provisions, the Company does not pay federal and state corporate income taxes on its income. Instead, the Company's income is included in the income of its stockholders for federal and state income tax purposes. The Company is known to have income tax nexus in certain states in which they have franchises. Income tax returns are filed in all jurisdictions where income tax nexus is fulfilled.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to US federal and state income tax examinations by tax authorities for years prior to 2015.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue from Franchisees

An initial nonrefundable franchise fee is paid to the Company's subsidiaries upon the sale of a franchise. Revenue from the sale of an individual franchise is recognized in the period the sale is consummated and substantially all services to be provided by the Company's subsidiaries have been performed.

To license the use of the Company's brand and operating system, each franchisee enters into a franchise agreement that includes a royalty or brand licensing fee whereby the Company's subsidiaries are entitled to receive a specified percentage of franchise revenues or monthly fees. These royalty and brand licensing fees are recognized in the period in which they are earned.

The Company sells and distributes to its franchisees certain products required for use in the operation of a franchise. The revenue from the sale of these products is recognized in the period in which the products are delivered.

Completed Contract Revenue

Franchisee owned outlets primarily recognize revenue from the construction, design, installation of outdoor living spaces and products, along with providing cleaning or maintenance services for residential and commercial clients. Projects have a short-term nature and as such, revenue recognition is based on the completed contract method. All revenue is recognized upon the fulfillment of the customer contract and completion of the project.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. The Company will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year. 2014-09, as deferred by ASU 2015-14, will be effective for annual reporting periods beginning after December 15, 2018, using either of two methods: *(a)* retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or *(b)* retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Company has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. We are currently evaluating the impact of our pending adoption of the new standard on our consolidated financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

In March 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The ASU is intended to simplify various aspects of accounting for share-based compensation arrangements, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. For example, the new guidance requires all excess tax benefits and tax deficiencies related to share-based payments to be recognized in income tax expense, and for those excess tax benefits to be recognized regardless of whether it reduces current taxes payable. The ASU also allows an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures as they occur. ASU 2016-06 will be effective for the Company for the year ending December 31, 2018. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial condition, results of operations and cash flows.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The ASU simplifies the measurement of goodwill impairment by eliminating the requirement that an entity compute the implied fair value of goodwill based on the fair values of its assets and liabilities to measure impairment. Instead, goodwill impairment will be measured as the difference between the fair value of the reporting unit and the carrying value of the reporting unit. The ASU also clarifies the treatment of the income tax effect of tax deductible goodwill when measuring goodwill impairment loss. ASU 2017-04 will be effective for the Company for the year ending December 31, 2022. ASU 2017-04 must be applied prospectively with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

Reclassifications

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.

NOTE C – PROPERTY AND EQUIPMENT

Major classes of property and equipment consisted of the following at December 31:

	2017	2016	2015
Software	$ 426,338	$ 383,118	$ 316,693
Tools and equipment	5,963	-	-
Furniture and office equipment	575,548	486,969	389,601
Leasehold improvement	109,326	98,570	98,570
Vehicles	78,863	29,363	29,363
	1,196,038	998,020	834,227
Less: Accumulated depreciation	(888,946)	(767,553)	(666,956)
Property and equipment (net)	$ 307,092	$ 230,467	$ 167,271

NOTE D – NOTES RECEIVABLE

Notes receivable are primarily due from various franchisees and features interest rates of 0% - 7.5% annually. Substantially all of these notes are collateralized by the borrowers' franchise agreements and are personally guaranteed by the franchisees. Notes receivable are written off when deemed uncollectible. Recoveries of notes receivable previously written off are recorded when received. The allowance for doubtful accounts for notes receivable was $23,646, $14,538 and $14,538 at December 31, 2017, 2016 and 2015, respectively.

NOTE E – INTANGIBLE ASSETS AND GOODWILL

As a result of the business combinations occurring on September 30, 2008, January 30, 2009, October 1, 2012, and February 28, 2017, goodwill and intangible assets, consisting of non-compete, franchisee agreements and indefinite intangibles were purchased. For amortizable intangible assets, useful lives range from five to seven years, and amortization expense totaled $20,621, $6,000 and $6,000 for the years ended December 31, 2017, 2016 and 2015, respectively. Accumulated amortization totaled $433,012, $412,391 and $406,391 at December 31, 2017, 2016 and 2015, respectively.

Estimated amortization expense for the future years ending December 31 are as follows:

2018	$	24,429
2019		24,429
2020		19,429
2021		18,429
2020 and thereafter		40,663
	$	127,379

NOTE F – LINE-OF-CREDIT

The Company has a $750,000 line-of-credit payable on demand with interest charged at a rate of 3.37% as of December 31, 2017. The line is collateralized by all of the Company's assets, guaranteed by one of the Company's shareholders and subject to renewal annually. Outstanding balance on the line-of-credit as of December 31, 2017, 2016 and 2015 was $100,000, $0, and $0, respectively.

NOTE G – CAPITAL STOCK

The company has 20,000 authorized shares of common stock, 12,014 of which are issued and outstanding at $0.01 par value common stock.

NOTE H – EMPLOYMENT BENEFITS

The Company has a salary deferral plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation ranging from 1% to 15%. Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds. The Company, at its option, may match a portion of the employees' contribution. The Company made contributions of $121,729, $35,515 and $18,360 to the plan during 2017, 2016 and 2015, respectively.

NOTE I – LEASE COMMITMENTS

The Company leases office space and equipment under operating leases. The leases are for initial periods of four to ten years. Total rent under all operating leases was $272,800, $172,816 and $179,439 for years ended 2017, 2016 and 2015, respectively.

NOTE I – LEASE COMMITMENTS (concluded)

Estimated future minimum lease payments under long-term operating leases for years ending December 31 are as follows:

2018	$ 298,361
2019	309,351
2020	115,749
2021	119,221
2020 and thereafter	745,915
	$ 1,588,597

NOTE J - LONG-TERM DEBT

Long-term debt consists of the following at December 31:

	2017	2016	2015
Note payable to SunTrust bank, at 5%, payable in monthly installments of principal and interest of $6,406 through October of 2017. Note is collateralized by the Company's assets.	$ -	$ 57,233	$ 129,258
Note payable to SunTrust bank, at with 71 consecutive monthly installments of principal of $29,166.67 and accrued interest equal to the Index plus 2.75% through February 28, 2023. Note is collateralized by the Company's assets.	1,808,283	-	-
Notes payable to Sellers as part of the business acquisition: (i) Sixty monthly payments of principle and interest in the amount of $7,076.71, with a commencement date of April 1, 2017 and annual interest rate of 5% (ii) Ten monthly payments of $6,000 with a commencement date of April 1, 2017 an no annual interest.	330,537	-	-
Total long-term debt	2,138,820	57,233	129,258
Less: current maturities of long-term debt	(426,290)	(57,233)	(76,872)
Total long-term debt, net of current portion	$ 1,712,530	$ -	$ 52,386

NOTE J - LONG-TERM DEBT (concluded)

Estimated maturities of the above long-term debt for succeeding years ending December 31 are as follows:

2018	$	426,290
2019		423,886
2020		427,666
2021		431,640
2022 and thereafter		429,338
	$	2,138,820

NOTE K – BUSINESS COMBINATIONS

Archadeck and Renew Crew of Charlotte - Franchisee

On February 28, 2017, Outdoor Living Brands Field Operations, Inc. ("OLBFO"), a subsidiary of Outdoor Living Brands, Inc., acquired 100% of the controlling interest of Kent's Backyard Vision, Inc. ("KBV") and 100% of Kent's Construction, LLC ("KCLLC" and collectively "Kent's Operations"). KBV, doing business as Archadeck of Charlotte and Renew Crew of Charlotte operated franchise locations of Archadeck Franchising Corporation and Renew Franchising Corporation respectively. Archadeck of Charlotte focuses on the design and construction of decks, porches, screened rooms, sunrooms and other custom outdoor living space projects in Charlotte and the surrounding areas. Renew Crew of Charlotte provides exterior surface cleaning and protection services in Charlotte and the surrounding areas. KCLLC, doing business as Value Remodelers, is a remodeling firm specializing in high-quality renovations of bathrooms. OLBFO acquired Kent's Operations for the purposes of operating a company owned location as well as creating a development and training center to serve as a test market for new franchise products and services and training future franchisee operators.

In accordance with the asset purchase agreement, OLBFO purchased current assets including cash, accounts receivable and inventory of $1,277,090 and includes $591,287 of accounts receivable of which $12,750 is expected to be uncollectible; $1,104,866 of work-in-progress assets for construction projects under construction; fixed assets of $54,000; certain contracts including franchise and employment agreements of $104,675 and goodwill of $2,117,969. Additionally, liabilities assumed included normal course accounts payable and accrued expenses of $381,511 and customer deposit liabilities of $1,908,240 associated with construction projects under contract. The assets were purchased using a combination of consideration including: cash, notes payable, contingent considerations, and issuance of shares of common stock from Outdoor Living Brands, Inc. The purchase agreement between OLBFO, KBV and KCLLC consisted of a contingent consideration arrangements related to earnout payments. Earnout payments are contingent on the performance of the assets purchased by OLBFO from Kent's Operations in three calendar year ends following the acquisition date. If the performance goals are achieved, the additional consideration would increase the purchase price by $50,000, $75,000 and $100,000 at year end 2017, 2018 and 2019, respectively. The earnout payments are tied to achieving specific gross margin and net promoter score metrics each year. As of December 31, 2017, contingent liability balance is $175,000. Remaining balance will be paid at year end 2018 and 2019. Acquisition consideration included 279 common shares issued at $268.22 per share. The value was based on a recent share repurchase transaction. There were litigation and claims against Kent's Operations of an insignificant amount at the date of acquisition.

NOTE K – BUSINESS COMBINATIONS (concluded)

Outdoor Lighting Perspective of Charlotte - Franchisee

On February 28, 2017, Outdoor Living Brands Field Operations, Inc. ("OLBFO"), a subsidiary of Outdoor Living Brands, Inc., acquired 100% of the controlling interest of KHD Lighting, Inc. ("KHD"). KHD, doing business as Outdoor Lighting Perspectives of Charlotte, a franchisee of the Outdoor Lighting Perspectives Franchising, Inc., focuses on the design, installation, and maintenance of outdoor lighting in Charlotte and the surrounding areas. OLBFO acquired KHD as part of its strategy of creating a development and training center.

In accordance with the asset purchase agreement, OLBFO purchased assets including inventory of $7,716, fixed assets of $14,500, a franchise agreement of $39,500 and goodwill of $273,284. Assets acquired from the business combination exclude KHD's accounts receivable and cash. The assets were purchased using a combination of consideration including: cash, notes payable and contingent considerations. The contingent consideration arrangement between OLBFO and KHD requires OLBFO to pay KHD an amount based on incremental sales achieved in 2017 over 2016 results. Any payments earned by KHD shall be paid by February 28, 2018.

Goodwill

The goodwill arising from the acquisition consists largely of the value of the brand recognition in Charlotte after more than 20 years of operations as well as economies of scale expected from combining the operations of OLBFO, KBV, KCLLC, and KHD. Total goodwill generated from business combinations on February 28, 2017 was $2,391,253.

The goodwill recognized is expected to be deductible for income tax purposes over fifteen years.

NOTE L – MAJORITY OWNED SUBSIDIARY

Conserva Irrigation Franchising, LLC ("CIF") is a majority controlled subsidiary of the Company, newly formed on March 9, 2017. On March 22, 2017, the Company contributed $100,000 to CIF in exchange of 60,000 units of membership interest, representing 60% ownership interest. The units of membership interest are not registered under the Securities Act of 1933, or under the respective state laws, but were sold under such laws.

Conserva Consulting Corporation, LLC, an unaffiliated party owns a non-controlling interest of 40% in CIF. On March 22, 2017, Conserva Consulting Corporation, LLC contributed $50,000 in exchange of 40,000 units of membership interest.

NOTE M – RELATED PARTIES

Outdoor Living Brands Field Operations, LLC leases office space from MECC, LLC, a related party and entity under common ownership. Terms of the lease involve a commencement date of September 1, 2017 and shall end August 31, 2027. The first two months after commencement are abated, with monthly lease payments of $9,002 for 12 months thereafter. A 3% increase of annual rent payable will be enforced on the one year lease anniversary. As of December 31, 2017, total rent payment was $18,004.

NOTE N – SUMMARY OF FRANCHISED OUTLETS

The following is a summary of changes in the number of outlets during 2017, 2016 and 2015:

	2017	2016	2015
Franchised outlets			
In operation - beginning of the year	345	318	298
New franchises sold during the year	64	45	43
Ceased operations/sold to franchisor during the year	-20	-18	-23
In operation - end of the year	389	345	318
Company-owned outlets			
In operation, beginning of year	4	4	4
Purchased/started by franchisor during the year	12	-	-
In operation - end of the year	16	4	4

NOTE O – REVENUE AND COSTS FROM COMPANY-OWNED AND FRANCHISED OUTLETS

The following is a summary of revenue and costs from company-owned and franchised outlets for years ended December 31, 2017, 2016 and 2015:

	2017	2016	2015
Franchised outlets			
Revenue	$ 20,958,358	$ -	$ -
Costs and expenses	19,362,154	-	-
Net income	$ 1,596,204	$ -	$ -
Company-owned outlets			
Revenue	$ 9,956,233	$ -	$ -
Costs and expenses	9,257,348	-	-
Net income	$ 698,885	$ -	$ -

NOTE P – LITIGATION

Outdoor Lighting Perspectives Franchising, Inc., a wholly-owned subsidiary of Outdoor Living Brands, Inc., in an effort to protect its rights under the Franchise Agreements, filed suit against six separate former Outdoor Lighting Perspectives franchisees and their owners between September 20, 2011, and May 30, 2014.

The suits were filed for breach of contract, trademark infringement, misappropriation of goodwill, and violation of the Deceptive Trade Practices Act arising out of the operations of competitive businesses and the evasion of post-expiration obligations contained in the former franchisee's Franchise Agreements. Outdoor Lighting Perspectives Franchising, Inc. sought a preliminary and permanent injunction against the former franchisees to prevent them from operating a competitive outdoor lighting business and also sought damages. In several cases that reached a court hearing, a Federal Judge granted Outdoor Lighting Perspectives Franchising, Inc.'s request and issued an injunction. In five cases Outdoor Lighting Perspectives Franchising, Inc., received favorable restricting injunctions upholding the noncompete provisions in the former franchisees' Franchise Agreements. Five of the cases were settled between the parties and included financial payments to Outdoor Lighting Perspectives Franchising, Inc. and the other case was mutually dismissed by the parties. Additionally, as part of the settlements four of the former franchisees returned to the franchise system. The last of these cases were settled and dismissed on March 3, 2015.

NOTE Q – SUBSEQUENT EVENTS

Management considered subsequent events occurring between January 1, 2018, and the issuance of the financial statements on March 22, 2018, and has not identified any events necessitating disclosure.

GUARANTEE OF PERFORMANCE

For value received, Outdoor Living Brands, Inc., a Virginia corporation (the "Guarantor"), located at 2924 Emerywood Parkway, Suite 101, Richmond, Virginia 23294, absolutely and unconditionally guarantees to assume the duties and obligations of Outdoor Lighting Perspectives Franchising, Inc., located at 2924 Emerywood Parkway, Suite 101, Richmond Virginia 23294 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2018 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Richmond, Virginia, on the 21st day of March, 2018.

Guarantor:

OUTDOOR LIVING BRANDS, INC.

By: _____
Name: Christopher M. Grandpre
Title: President and CEO

OUTDOOR LIGHTING PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT B

FRANCHISE AGREEMENT

OUTDOOR LIGHTING PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT B

FRANCHISE AGREEMENT

Franchisee:_____

Date:_____

Territory:_____

FRANCHISE AGREEMENT
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ATTACHMENT:

Attachment A:	Initial Franchise Fees and Territory
Attachment B:	Guaranty And Assumption of Franchisee's Obligations
Attachment C:	Statement of Ownership
Attachment D:	Collateral Assignment of Telephone Numbers, Telephone Listings And Internet Addresses
Attachment E:	Electronic Payment Authorization
Attachment F:	Sample Acknowledgment of Termination and Release Agreement
Attachment G:	Successor Addendum to Franchise Agreement
Attachment H:	Micro Market Franchise Addendum
Attachment I:	Successor Addendum to Franchise Agreement for Micro Market Franchise

FRANCHISE LICENSE AGREEMENT

This Franchise License Agreement ("**Agreement**") is made this _____ day of _____ 20___, by and between **Outdoor Lighting Perspectives Franchising, Inc.**, a North Carolina Corporation having its main office at 2924 Emerywood Parkway, Suite 101, Richmond, VA 23294 ("**Franchisor**"), and _____, located at _____ ("**Franchisee**").

RECITALS

WHEREAS, Franchisor has developed and owns a unique system for opening and operating a business system designed to provide outdoor lighting design, installation and maintenance services and sales to residential and commercial customers, including seasonal holiday lighting, through a uniform system which has high standards of service, uses quality products, operates under the business format created and developed by Franchisor and which is known as the Outdoor Lighting System ("**System**");

WHEREAS, the distinguishing characteristics of the System include the name "**Outdoor Lighting Perspectives**" and other trademarks and trade names, confidential operating procedures, confidential operations manual, standards and specifications for equipment, services and products, and management and marketing programs and sales techniques and strategies. All of these distinguishing characteristics may be changed, improved, and further developed by Franchisor from time to time. They are Franchisor's Confidential Information and Trade Secrets and are designated by and identified with the Marks described in this Agreement;

WHEREAS, Franchisor identifies itself and its products and services by means of certain trade names, service marks, logos, emblems, and indicia of origin, including the trademark "**Outdoor Lighting Perspectives**," which are now, or may be in the future, designated by Franchisor in writing for use in connection with the System ("**Marks**");

WHEREAS, Franchisor continues to use, develop and control the use of the Marks in order to identify for the public the source of services and products marketed under the System, and which represent the System's high standards of quality, service and customer satisfaction;

WHEREAS, Franchisee acknowledges the benefits to be derived from being identified with the System, and also recognizes the value of the Marks and the continued uniformity of image to Franchisee, Franchisor, and other franchisees of Franchisor;

WHEREAS, Franchisee acknowledges the importance to the System of Franchisor's high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating an Outdoor Lighting business in conformity with the System, whether such Outdoor Lighting business be in Franchisee's home or an outside leased or owned location ("**Business**");

WHEREAS, Franchisee recognizes that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to Franchisor's reasonable present and future requirements regarding the types of products sold, services offered, advertising used, operational techniques, marketing and sales strategies and related matters; and

WHEREAS Franchisee is aware of the foregoing and is desirous of obtaining the right to use the System and in association therewith, the right to use the Marks, and wishes to be assisted, trained, and

franchised to operate a Business pursuant to the provisions and at the location within the territory specified in this Agreement, subject to the terms and conditions contained in this Agreement;

The parties therefore agree as follows:

DEFINITIONS

For the purposes of this Agreement, the following are hereby defined:

(a) "**Agreement**" - means this agreement and all instruments in amendment hereof.

(b) "**Affiliate**" – means any person or entity that controls, is controlled by, or is in common control with, Franchisor.

(c) "**Business**" or "**Outdoor Lighting Business**" - means the business operations conducted or to be conducted by Franchisee consisting of outdoor lighting design, and automated lighting control equipment and installation services, and seasonal, holiday, and event lighting sales and installation services for both residential and commercial use.

(d) "**Confidential Information**" - means all knowledge, know-how, standards, formulas, methods and procedures related to the establishment and operation of the Business and use of the System and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Business including, without limitation, all Business Records (as defined in Section 6.10) all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e-mail addresses, customer purchase records, mail lists, manuals, promotional and marketing materials, marketing strategies and any other data and information which Franchisor or its Affiliates designate as confidential, including all information contained in Franchisor's Manual, which may be provided as one or more separate manuals, written instructional guides, CD Rom, electronic formats, or other communications from Franchisor or its Affiliates, which Franchisor has the right to periodically change or supplement.

(e) "**Franchisor's System**" or "**System**" - means the standards, systems, concepts, identifications, methods, and procedures developed or used by Franchisor, or which may hereafter be developed or used by Franchisor, for the sales and marketing of Franchisor's Products (as defined below) and Services (as defined below).

(f) "**Gross Revenue**" - means the total of all receipts derived from Services performed and Products sold from Franchisee's Territory (as defined in Section 2.1(a) and Attachment A of this Agreement), whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange. Gross Revenues include receipts from all sales, service, installation, labor, etc. related to the operation of Franchisee's Business, including 220 volt, 110 volt, 24 volt and 12 volt systems, automated lighting control systems and including temporary installations such as holiday decorative lighting and special event lighting. Gross Revenue does not include:

(i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount is in fact paid by Franchisee to the appropriate governmental authority;

(ii) Promotional or discount coupons to the extent that Franchisee realizes no revenue; and

(iii) Employee receipt of Services or Products, if free, or any portion not paid for by an employee.

Gross Revenue shall be deemed received by Franchisee at the time the Services or Products from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by Franchisee. Gross Revenues consisting of property or services shall be valued at the retail prices applicable and in effect at the time that they are received.

Cash refunded and credit given to customers, and receivables uncollectible from customers more than one-hundred twenty (120) days after billing, may be deducted in computing Gross Revenues only to the extent that it was previously included in Gross Revenues on which a Royalty Fee was paid.

(g) "**Lease**" - means any agreement (whether oral or written) under which the right to occupy the Premises has been obtained, and any amendment made thereto from time to time, including without limitation, any offer to lease, license or lease agreement.

(h) "**Manual**" – has the meaning described in Section 7.3(j) below.

(i) "**Marks**" - shall mean the trademark "**OUTDOOR LIGHTING PERSPECTIVES**" to the extent of Franchisor's rights to same, together with such other trade names, trademarks, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise which may be designated by Franchisor from time to time as part of the System for use by Franchisees, and not thereafter withdrawn.

(j) "**Non-Residential Landscape Lighting Projects**" **–** means all work performed by the Business that does not constitute a Residential Landscape Lighting Project, including but not limited to, work performed at commercial locations, multi-unit residential complexes (excluding duplexes), townhomes, municipal areas, golf courses and other recreational areas, as further defined in the Manual.

(k) "**Outdoor Lighting Franchise**" – shall mean the business operations conducted or to be conducted using Franchisor's System and in association therewith the Marks.

(l) "**Premises**" - means the premises in respect to which an Outdoor Lighting Franchise has been granted hereunder, including Franchisee's home or an outside leased or owned location, or any other location as may be mutually agreed upon between Franchisor and Franchisee in writing.

(m) "**Products**" - means all supplies, materials and equipment sold, prepared or otherwise dealt with in connection with and all services performed at or from the home or leased Premises or in connection with the Business.

(n) **"Residential Landscape Lighting Projects"** – means all work performed by the Business at single family residential locations or duplexes, as further defined in the Manual.

(o) "**Services**" – means all services sold, prepared or otherwise dealt with in connection with Business and all services performed at or from the Premises or in connection with the Business.

(p) "**Trade Secret(s)**" – shall mean information, including a formula, pattern, compilation, program, device, method, technique or process related to the System that both derives independent 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 is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

1. COVENANTS, REPRESENTATIONS, AND WARRANTIES OF THE FRANCHISEE

Franchisee covenants, represents and warrants as follows and acknowledges that Franchisor is relying upon such covenants, representations and warranties in making its decision to enter into this Agreement.

1.1 Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement, and all related agreements with Franchisor. Franchisee acknowledges that Franchisor has advised him to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the Business, Franchisor and this Agreement.

1.2 Franchisee has, or has made firm arrangements to acquire funds to commence, open and operate the Business and it is financially and otherwise able to accept the risks attendant upon entering into this Agreement.

1.3 All statements made by Franchisee in writing in connection with its application for this franchise were, to the best of its knowledge, true when made and continue to be true as of the date of this Agreement.

1.4 There are no material financial obligations of Franchisee whether actual or contingent which are outstanding as of the date of this Agreement other than those disclosed to Franchisor by Franchisee in writing.

1.5 Franchisee is not a party to or subject to any court or administrative order or action of any governmental authority, which would limit or interfere in any way with the performance by Franchisee of its obligation hereunder.

1.6 Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to Franchisor by Franchisee in writing.

1.7 Franchisee represents that it is not a party to or subject to agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Initial Term or any Interim Period.

1.8 Franchisee agrees and acknowledges that it has not been induced to enter into this Agreement in reliance upon, nor as a result of, any statements, representations, warranties, conditions, covenants, promises or inducements, whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by Franchisor, its officers, directors, agents, employees or contractors except as provided herein. Franchisee acknowledges that the Franchise has been granted in reliance upon the information supplied to Franchisor in Franchisee's application for a Franchise.

1.9 Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) Franchisee and its owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at *http://www.treasury.gov/offices/enforcement/ ofac/legal/eo/13224.pdf*). Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 1.9.

(d) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of Franchisor's affiliates.

(e) "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.

2. GRANT OF LICENSE

2.1 Subject to all the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee accepts, for the Initial Term of this Agreement and any Interim Period the right, obligation and non-exclusive license ("**License**") to:

(a) Operate a Business upon the terms and conditions of this Agreement, in one (1) territorial area ("**Territory**") and at one location described in **Attachment A**;

(b) Use the Marks and the System; and

(c) Offer and market only Franchisor's approved Services and Products, unless Franchisor approves in writing (such approval to be in Franchisor's sole and absolute discretion) Franchisee's request to offer and market complementary and non-competing services or products.

2.2 The License does not include the right to sell the Products to any vendor who would in turn sell to consumers.

2.3 Franchisee recognizes that variations and additions to the System may be required from time to time in order to preserve and/or enhance the System. Therefore, Franchisor expressly reserves the right to add to, subtract from, revise, modify or change from time to time the System or any part thereof,

and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such reasonable expenditures as may be necessary to comply pursuant to Section 8.

2.4 Franchisee recognizes that the rights that are granted to Franchisee are for the specific Territory, defined in Section 4.1 below and no other, and cannot be transferred to an alternate Territory, without the prior written approval of Franchisor, which approval may be granted or withheld in Franchisor's sole discretion.

3. TERM OF THE AGREEMENT AND LICENSE

3.1 This Agreement and the License granted shall continue for a period of seven (7) years ("**Initial Term**"). This Initial Term shall begin on the date this Agreement is executed by Franchisor, subject, however, to termination in accordance with the provisions of this Agreement. When the Initial Term and any Interim Period expires Franchisee shall have the option to request that Franchisor renew Franchisee's rights to operate the Outdoor Lighting Business for one (1) additional term ("**Successor Term**") equal to the length of Franchisor's then-current initial term as described in its then-current Outdoor Lighting Perspectives® franchise agreement (although the Successor Term will be no less than five (5) years), provided Franchisor determines in its sole and absolute discretion that Franchisee has met all of the following requirements.

(a) Franchisee has not failed to remedy any breach of this Agreement specified by Franchisor in a written notice to Franchisee as per Section 17.1 or 17.2;

(b) Franchisee has not committed and received notice of two (2) or more breaches of this Agreement in the twenty-four (24) months prior to the end of the Initial Term, even if such breaches were timely remedied;

(c) Franchisee has met the Minimum Annual Sales Quota every year during the Initial Term set out in Section 4.3;

(d) Franchisee has given Franchisor a written notice of intent to extend its rights to operate the Outdoor Lighting Business no less than six (6) months or more than nine (9) months prior to expiration of the Initial Term;

(e) Franchisee executes a successor franchise agreement ("**Successor Franchise Agreement**") and all other agreements in the form then being used by Franchisor in granting new franchises, which may contain materially different terms and conditions than this Agreement, provided that the Successor Franchise Agreement will be modified to reflect certain provisions not applicable in a Successor Franchise Agreement, similar to the Successor Addendum attached as **Attachment G**;

(f) Franchisee pays Franchisor the successor franchise fee equal to ten percent (10%) of the then current applicable Initial Franchise Fee, which is due and payable to Franchisor at the time of signing the Successor Franchise Agreement;

(g) Franchisee executes a general release of all claims Franchisee may have against Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in their corporate and/or individual capacities. This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this

Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to Franchisor;

(h) Franchisee has upgraded the computer system, proprietary database management system, marketing collateral, other equipment and vehicle used in operations of the Business to Franchisor's then-current standards;

(i) Franchisee is in full compliance with the terms of the Manual;

(j) Franchisee provides proof of current licenses, insurance and permits; and

(k) Franchisee has met any other conditions that Franchisor reasonably requires.

3.2 Franchisee's failure to give timely notice of Franchisee's intention to extend its rights to operate the Business, as described in Section 3.1(d) shall be deemed an election not to renew Franchisee's rights to operate the Business. IN FRANCHISOR'S SOLE DETERMINATION, FRANCHISEE MAY BE DEEMED TO HAVE IRREVOCABLY DECLINED TO RENEW FRANCHISEE'S RIGHTS TO OPERATE THE BUSINESS (AND ITS OPTION SHALL THEREUPON TERMINATE) IF IT FAILS TO EXECUTE AND RETURN TO FRANCHISOR THE SUCCESSOR FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY FRANCHISOR WITHIN THIRTY (30) DAYS AFTER THEIR DELIVERY TO FRANCHISEE, OR FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS SECTION 3.

3.3 If Franchisee does not sign a Successor Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

4. TERRITORY

4.1 During the Initial Term and for so long as Franchisee is in compliance with all of its obligations hereunder, except as otherwise provided in this Agreement, and subject to Franchisor's reservation of rights as set forth in Section 4.2 and as provided in Section 4.3 below, neither Franchisor nor any Affiliate will establish or license another person or entity to establish an Outdoor Lighting Business within the Territory encompassed by the boundaries set forth in **Attachment A**, attached hereto and incorporated herein by reference. Except as otherwise specifically provided in this Agreement, this Agreement does not restrict Franchisor or its Affiliates and does not grant rights to Franchisee to pursue any of Franchisor's or its Affiliates other business concepts other than the Outdoor Lighting Business.

4.2 Franchisee acknowledges that the Franchise granted hereunder is non-exclusive and that Franchisor and its Affiliates retain the exclusive right, among others:

(a) to use, and to license others to use, the Marks and System for the operation of Outdoor Lighting Businesses at any location other than in the Territory, regardless of proximity to the Territory;

(b) to use the Marks and the System in connection with the provision of other services and Products or in alternative channels of distribution such as those described in Section 4.2(c), without regard to location;

(c) to use and license the use of other proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution including, without limitation, wholesalers, commissaries, retail outlets, Internet commerce, or other distribution outlets, or in the operation of a lighting outlet, at any location and including within the Territory, which may be the same as, similar to or different from the Outdoor Lighting Businesses;

(d) to any web sites utilizing a domain name incorporating one or more of the words "Outdoor," "Lighting" and "Perspectives," or similar derivatives thereof. Franchisee may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without Franchisor's prior written approval. Franchisor retains the sole right to market on the Internet, including all use of web sites, domain names, URL's, linking, advertising, directory accesses, metatags, co-branding and other arrangements. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and will sign Internet and Intranet usage agreements. Franchisor intends that any franchisee web site be accessed only through Franchisor's home page, unless Franchisor otherwise permits in writing; and

(e) to acquire businesses that are the same as or similar to the Outdoor Lighting Business and operate such businesses regardless of where such businesses are located, including inside the Territory, and to be acquired by any third party which operates businesses that are the same as or similar to the Outdoor Lighting Business regardless of where such businesses are located, including inside the Territory.

4.3 Franchisee may be granted, at Franchisor's sole discretion, express permission to sell or service customers in an unsold territory adjacent to Franchisee's Territory ("**Adjacent Territory**"), provided that Franchisee agrees that when the Adjacent Territory is granted to another franchisee by Franchisor, Franchisee will, upon receipt of written notice from Franchisor, cease all its sales and service efforts within the Adjacent Territory and return all customer and prospect lists to Franchisor within ten (10) days of such notice. Franchisee shall report Gross Revenues from sales in an Adjacent Territory on a separate reporting form. Franchisee will pay the Royalty Fee, Individual Advertising Investment and National Branding and Marketing Fee for sales in the Adjacent Territory.

4.4 In order to maintain the Territory, Franchisee must meet the Minimum Annual Sales Quota during each full calendar year following the date of Agreement. The Minimum Annual Sales Quota is as follows:

Year	Yearly Minimum Gross Revenues
First Year	No Minimum Annual Sales Quota
Second Year	$150,000
Third Year and Subsequent Years	$200,000

Franchisee's failure to satisfy the Minimum Annual Sales Quota may result in the reduction or elimination of Franchisee's Territory or the termination of this Agreement, in Franchisor's sole discretion.

5. FRANCHISE FEE AND ROYALTIES

5.1 Franchisee shall pay the sum of set forth on **Attachment A** plus, if due and payable, all applicable federal, state or municipal taxes, as a non-recurring and non-refundable (subject to Section 5.2) initial franchise fee ("**Initial Franchise Fee**") per Territory to Franchisor upon the execution of this Agreement. The Initial Franchise Fee shall be paid by means of certified funds or a bank check. The Initial Franchise Fee shall be deemed to have been fully earned by Franchisor when paid.

5.2 The Initial Franchise Fee is non-refundable unless Franchisor terminates the Franchise Agreement because Franchisee failed to complete the training program to the satisfaction of Franchisor (to be determined in Franchisor's sole discretion). Franchisor shall notify Franchisee in writing that it is exercising its right to terminate the Agreement pursuant to this Section 5.2, in which case fifty percent (50%) of the Initial Franchise Fee shall be refunded to Franchisee within thirty (30) days of Franchisor's notice of termination to Franchisee.

5.3 Royalties.

(a) During the first twelve (12) months of operation, Franchisee shall pay to Franchisor a Royalty Fee equal to the sum of (i) seven percent (7%) of Gross Revenue from all Residential Landscape Lighting Projects for such month or partial month and (ii) five percent (5%) of Gross Revenue from all Non-Residential Landscape Lighting Projects for such month or partial month. Commencing with the thirteenth (13^{th}) month of operation, Franchisee shall pay to Franchisor, a Royalty Fee equal to the greater of the Minimum Royalty Fee (set forth in Section 5.3(b) below) or the sum of (i) seven percent (7%) of Gross Revenue from all Residential Landscape Lighting Projects for such month or partial month and (ii) five percent (5%) of Gross Revenue from all Non-Residential Landscape Lighting Projects for such month or partial month (collectively "**Royalty Fee**" or "**Royalty Fees**"). If at any time during any calendar year, Franchisee's Gross Revenue exceeds $1,000,000, the Royalty Fee will be reduced to the greater of the Minimum Royalty Fee or five percent (5%) of Gross Revenue for the remainder of that calendar year on any and all projects. Notwithstanding the foregoing, if Franchisor determines, in its sole discretion, that seasonal factors materially affect the operation of Franchisee's Outdoor Lighting Business in its Territory, then Franchisee's obligations to pay Minimum Royalty Fee will be abated during the seasonal period identified by Franchisor in **Attachment A** ("**Abatement Period**") and Franchisee will pay Franchisor the percentage Royalty Fee described above. The Royalty Fee shall be paid on or before the tenth (10^{th}) day of each month for the preceding calendar month and shall be payable through the entire Initial Term and any Interim Period of this Agreement. Franchisee shall pay the Royalty Fee monthly or in such other frequency as Franchisor may in its sole discretion require upon written notice to Franchisee by Franchisor. Franchisee shall not subordinate to any other obligation its obligation to pay the Royalty Fee or any other fee or charge hereunder.

(b) The Minimum Royalty Fee due to Franchisor per Territory is $1,100 ("**Minimum Royalty Fee**"). The Minimum Royalty Fee payments commence on the thirteenth (13^{th}) full month the Business is open for business and continues for the Initial Term of this Agreement and any Interim Period. **THIS MINIMUM ROYALTY FEE IS IN NO WAY INTENDED TO IMPLY THAT FRANCHISEE WILL EXPERIENCE GROSS REVENUES OF ANY PARTICULAR LEVEL. PURSUANT TO SECTION 5.3(d), THIS MINIMUM ROYALTY FEE IS TO BE SENT ON THE TENTH OF EACH MONTH VIA**

ELECTRONIC FUNDS TRANSFER TO AN ACCOUNT DESIGNATED BY THE FRANCHISOR.

(c) Each Royalty Fee payment shall be, without exception, accompanied by a statement of the previous month's Gross Revenues on a form approved and provided to Franchisee by Franchisor. **Each failure to include a fully completed statement of the previous month's Gross Revenues with the Royalty Fees payable to Franchisor when due shall constitute a material breach of this Agreement**.

(d) Franchisor reserves the right to require Franchisee to remit fees and other amounts due to Franchisor hereunder via electronic funds transfer ("**EFT**") or other similar means utilizing a Franchisor approved computer system or otherwise. The EFT Authorization is attached to the Franchise Agreement as **Attachment E.** If Franchisor notifies Franchisee to use such payment method, Franchisee agrees to comply with procedures specified by Franchisor and/or perform such acts and deliver and execute such documents, including authorization for direct debits from Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by such method. Under this procedure Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to Franchisor and any interest charged due thereon. Franchisee shall make funds available to Franchisor for withdrawal by electronic transfer no later than the due date for payment therefor. If there are insufficient funds in Franchisee's account to collect amounts due by a transfer of funds on the due date, or if a withdrawal is otherwise rejected for any reason, Franchisee must pay Franchisor any fees and expenses Franchisor incurs, as well as Franchisor's then-current service charge to compensate Franchisor for its increased administrative and management costs in connection with such failed withdrawal.

If Franchisee has not timely reported the Gross Revenues to Franchisor for any reporting period, then Franchisor shall be authorized, at Franchisor's option, to debit Franchisee's account in an amount equal to (a) the fees transferred from Franchisee's account for the last reporting period for which a report of the Gross Revenues was provided to Franchisor as required hereunder; or (b) the amount due based on information retrieved from Franchisor approved computer system; or (c) the Minimum Royalty Fee and National Branding and Marketing Fee.

5.4 If Franchisee is unable to operate due to damage or loss to Franchisee's premises caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor, in its sole discretion, may elect to waive the Royalty Fee for a period no greater than one hundred twenty (120) days commencing with the month in which Franchisee gives Franchisor notice of the damage or loss.

5.5 Before Franchisor pays any refunds set out in Section 5.2, all products set forth on the initial marketing collateral supplies list ("**Initial Marketing Collateral Supplies List**") provided to Franchisee by Franchisor must be returned to Franchisor.

6. ACCOUNTING, RECORDS, AUDITS AND LATE PAYMENT CHARGES

6.1 Franchisee shall keep such complete records of its Business as a prudent and careful businessperson would normally keep. Franchisee shall keep its financial books and records as Franchisor may from time to time direct in the Manual or otherwise, including retention of all invoices, order forms, payroll records, cash register tapes, checks records, bank deposit receipts, sales tax records and returns,

cash disbursements journals and general ledgers. Franchisee shall advise Franchisor of the location of all original documents and shall not destroy any records without the written consent of Franchisor.

6.2 Franchisee shall prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the Business conducted under this Agreement. Franchisee shall maintain an accounting system which accurately reflects all operational aspects of the Business including uniform reports as may be required by Franchisor. Franchisee's records shall include tax returns, daily reports, statements of Gross Revenues (to be prepared each month for the preceding month), profit and loss statements (to be prepared at least quarterly by an independent Certified Public Accountant), sales tax information and balance sheets (to be prepared at least annually by an independent Certified Public Accountant). On or before March 1 of each year, Franchisee shall provide Franchisor with a copy of the annual profit and loss statement and balance sheet prepared by the independent Certified Public Accountant from the prior calendar year.

6.3 Franchisee shall also submit to Franchisor current financial statements and other reports, including sales tax records, as Franchisor may reasonably request to evaluate or compile research and performance data on any operational aspect of the Business. Franchisee shall submit profit and loss statements to Franchisor once each quarter in a time frame determined by Franchisor, in Franchisor's sole discretion. On or before April 15 of each year, Franchisee shall provide Franchisor with a copy of its federal tax return for the previous tax year.

6.4 The records required under this Section 6 pertain only to Franchisee's operation of the Business. Franchisor has no right to inspect, audit or copy the records of any unrelated business activity Franchisee may have. Franchisee shall keep the books and records of the Business separate from the records of any unrelated business activity.

6.5 From the date Franchisee and Franchisor sign this Agreement until three (3) years after the end of the Initial Term of this Agreement including any Interim Period, Franchisor or Franchisor's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. Franchisor agrees to do inspections and audits at reasonable times. Franchisee agrees to keep all records and reports for 6 years from the date such records are created. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee or National Branding and Marketing Fee (as defined in Section 11.6) or other amounts required to be paid under this Agreement, Franchisee shall immediately pay the deficiency to Franchisor, without prejudice to any other remedy of Franchisor under this Agreement. In addition, if the deficiency for any audit period equals or exceeds two percent (2%) or more of the correct amount of any Royalty Fee, National Branding and Marketing Fee or other amounts due, Franchisee will also immediately pay to Franchisor the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. For the purposes of this Section 6.5, an audit period will be each fiscal year. Should the audit disclose an overpayment of any Royalty Fees, National Branding and Marketing Fees or other amounts due, Franchisor shall credit the amount of the overpayment to Franchisee's payments of Royalty Fees and National Branding and Marketing Fees next falling due.

6.6 If Franchisee's records and procedures are insufficient to permit a proper determination of Gross Revenues, Franchisor shall have the right to deliver to Franchisee an estimate, made by Franchisor, of Gross Revenues for the period under consideration and Franchisee shall immediately pay to Franchisor any amount shown thereby to be owing on account of the Royalty Fee, National Branding and Marketing Fee and other sums due on account of such understatement. Any such estimate shall be final and binding upon Franchisee.

6.7 To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments Franchisee shall also pay, upon demand, a late fee in the amount of $100 and interest equal to the lesser of (i) one and one-half percent (1.5%) per month; or (ii) the highest legal rate permitted by applicable law, whichever is lower, on all payments due to Franchisor during the period of time said payments are due and unpaid. Each failure to pay Royalty Fees, National Branding and Marketing Fees, and other amounts payable to Franchisor when due shall constitute a material breach of this Agreement. Franchisee acknowledges that this Section 6.7 shall not constitute Franchisor's agreement to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the Outdoor Lighting Business. Further, Franchisee acknowledges that failure to pay all such amounts when due shall, notwithstanding the provisions of this Section 6.7, constitute grounds for termination of this Agreement, as provided in this Agreement.

6.8 Any report of Franchisor's auditor rendered from time to time pursuant to this Section 6, shall be final and binding upon all of the parties hereto.

6.9 Franchisee hereby authorizes Franchisor to make reasonable inquiries of Franchisee's bank, suppliers and trade creditors concerning the Business and hereby directs such persons and companies to provide to Franchisor such information and copies of documents pertaining to the Business as Franchisor may request.

6.10 Franchisee acknowledges and agrees that Franchisor owns all business records ("**Business Records**") with respect to customers and other service professionals of, and/or related to, the Outdoor Lighting Business including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion.

6.11 To encourage prompt delivery of all Business Records, Certificates of Insurance, Gross Revenue statements, financial statements, tax returns, and any other documentation or record that may be requested by Franchisor under this Agreement, Franchisee shall pay, upon demand, a late report fee in the amount of $100 per record or document requested if Franchisee fails to deliver such record or document when due.

7. GUIDANCE, COACHING AND ASSISTANCE

7.1 The Initial Franchise Fee and Royalty Fees are paid for the License, which includes the use of the Marks of Franchisor, the use of Franchisor's Trade Secrets, and for certain guidance, coaching and assistance rendered by Franchisor.

7.2 Franchisor shall offer Franchisee initial and continuing guidance, coaching and assistance as Franchisor deems necessary or advisable in furthering Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Failure by Franchisor to provide any particular guidance, coaching or assistance, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

7.3 Currently, initial and continuing guidance, coaching and assistance provided by Franchisor shall include:

(a) Designating Franchisee's Territory as stipulated in Section 2 and Abatement Period, if any, as stipulated in **Attachment A**.

(b) Providing Franchisee, at Franchisee's sole cost and expense, with the Initial Marketing Collateral Supplies List, vehicle wrap, and tradeshow booth.

(c) Furnishing Franchisee with specifications for all initial and replacement equipment, inventory and supplies required for the operation of Franchisee's Business as stipulated in Section 8.

(d) Providing Franchisee with an initial training program ("**Initial Training Program**"). Franchisee acknowledges and agrees that the Initial Training Program is divided into two distinct phases. Phase I of the Initial Training Program shall be held at Franchisor's facilities in Richmond, Virginia (or other location designated by Franchisor) and shall be conducted over a seven (7) to eight (8) day period. Phase II of the Initial Training Program shall be held at Franchisor's facilities in Richmond, Virginia during the summer before Franchisee's first holiday lighting season and shall be conducted over a two (2) to three (3) day period. Franchisee or its operating manager shall attend and satisfactorily complete Phase I of the Initial Training Program prior to opening the franchised Business. Phase I of the Initial Training Program shall be conducted approximately sixty (60) days prior to the opening of Franchisee's Business. Franchisee shall pay for travel, lodging and meals for Franchisee and any additional person(s) attending the initial training program. Franchisee is responsible for all other charges and costs incurred by itself or any other of its attendees participating in the Initial Training Program. If Franchisee closes on the purchase of a franchise for the Business on or before July 31 of any calendar year, Franchisee shall attend Phase II of the Initial Training Program during that calendar year. If Franchisee closes on the purchase of a franchise for the Business after July 31 of such calendar year, Franchisee shall attend Phase II of the Initial Training Program during the next calendar year. The Initial Training Program shall consist of a discussion of the System, techniques, procedures, installation and methods of operation, advertising, sales techniques, promotional ideas, marketing plans, customer relations, instructions on quality standards and practical experience in the operation of a franchise. Franchisee acknowledges and agrees that Franchisee shall be deemed fully trained and ready to open for business if Franchisee completes Phase I of the Initial Training Program to Franchisor's satisfaction.

(e) Franchisor shall make a representative reasonably available to speak with Franchisee on the telephone during normal business hours to discuss Franchisee's operational issues.

(f) Franchisor may hold periodic conferences to discuss sales techniques, new product developments, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. There is a conference fee, and Franchisee must pay all its travel and living expenses. These elective conferences are held at Franchisor's Richmond, Virginia headquarters or at a location chosen by Franchisor.

(g) Franchisor may, in its sole discretion, visit Franchisee's Outdoor Lighting Business during the first six (6) months of operations.

(h) Formulating advertising and promotional programs as further stipulated in Section 11.

(i) Franchisor may require that Franchisee or Franchisee's operating manager attend all supplemental and refresher training programs that Franchisor designates. Franchisor may charge Franchisee a reasonable fee for any supplemental and refresher training programs. Franchisee must pay the then-current fee for such training programs, if any, and all personal travel and living expenses.

(j) Developing new Products and Service methods, as deemed beneficial in the sole discretion of Franchisor for the successful operation of the System. Franchisee will be informed of any new Product or Service development.

(k) Loaning Franchisee during the Initial Term (including any Interim Period) one (1) copy of or providing electronic (internet) access to Franchisor's confidential operations manual (**"Manual"**) containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor as further stipulated in this Section 7, and containing information relative to other obligations of Franchisee hereunder. Any required specifications, standards and operating procedures exist to protect Franchisor's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. All such specifications, standards and operating procedures shall be consistent with this Agreement and all applicable laws. Franchisee shall operate the Business strictly in accordance with the required specifications and standards identified in the Manual. Failure to comply with the required standards set forth in the Manual shall constitute a material breach of this Agreement. Franchisor reserves the right to provide the Manual and updates to the Manual in electronic form or other form determined by Franchisor.

(i) Franchisor shall have the right to modify the Manual from time to time to reflect changes in authorized Products and Services, business image or the operation of the Business; provided, however, no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Some of the revisions to the Manual presently contemplated include changes with respect to:

1. sales and marketing strategies;
2. equipment and supplies;
3. accounting and reporting systems and forms;
4. insurance requirements;
5. operating procedures;
6. Services; and
7. Products.

(ii) Franchisee covenants to accept, implement and adopt any such reasonable modifications at its own cost, except as provided in Section 10.3 hereof concerning a change in the Marks. Franchisee shall keep its Manual with replacement pages and insertions as instructed by Franchisor.

(iii) Franchisee hereby acknowledges that the Manual is loaned to Franchisee and shall at all times remain the sole and exclusive property of Franchisor, and upon termination of this Agreement for any reason whatsoever, Franchisee shall forthwith return the Manual together with all copies of any portion of the Manual which Franchisee may have made, to Franchisor.

(l) Providing Franchisee with a copy of Franchisor's monthly newsletter, if published.

7.4 If Franchisee believes Franchisor has failed to adequately provide pre-opening guidance, coaching and assistance to Franchisee as provided in this Agreement, including Section 7.3, Franchisee shall notify Franchisor in writing within thirty (30) days following the opening of the Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening guidance, coaching and assistance required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment.

7.5 Franchisor is not obligated to perform guidance, coaching or assistance set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. Franchisor does not represent or warrant that any other guidance, coaching and assistance will be provided to Franchisee, other than as set forth in this Agreement. To the extent any other guidance, coaching and assistance, or any specific level or quality of guidance, coaching and assistance is expected, Franchisee must obtain a commitment to provide such guidance, coaching and assistance or level of service in writing signed by an authorized officer of Franchisor, otherwise Franchisor shall not be obligated to provide any other services or specific level or quality of guidance, coaching or assistance.

8. FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS

8.1 Franchisee shall, consistent with the terms of this Agreement, diligently develop the Business and use its best efforts to market and promote the required Services and Products.

8.2 Subject to the terms of this Agreement, including Sections 7.3(k)(i) through (iii), during the Initial Term and any Interim Period, Franchisee shall strictly comply with all mandatory standards, specifications, processes, procedures, requirements, and instructions of Franchisor regarding the operation of the Business and must comply with the following requirements:

(a) Franchisee, or a fully trained and qualified operating manager, must devote full time to the management and operation of the Business.

(b) Prior to opening the Outdoor Lighting Business, Franchisee or Franchisee's manager and certain key employees at the Business must attend and satisfactorily complete Phase I of the Initial Training Program, demonstrations and seminars at locations as Franchisor may reasonably require, and Franchisee will pay all salary and other expenses of persons attending. Attendance by Franchisee or its manager (if any) is compulsory and must be satisfactorily completed prior to the opening of Franchisee's Business.

(c) Complete Phase II of the Initial Training no later than the one year anniversary of the execution of the Franchise Agreement.

(d) Franchisee or its operating manager's attendance at annual conferences is strongly recommended and will be held at such locations as Franchisor may reasonably designate, and Franchisee will pay all salary and other expenses of persons attending, including any conference fees, travel expenses, meals, living expenses and personal expenses.

(e) Subject to Section 8.5, any additional required Service or Product introduced into the System by Franchisor must be offered for sale on a continuing basis at the Business at the time and in the manner required by Franchisor. Franchisor will provide at least thirty (30) days

prior written notice of any new required Service or Product introduced into the System. All equipment, products, supplies, tools and other items necessary to add the newly required Services or Products must be acquired, installed, and utilized at the time and in the manner required by Franchisor. The marketing of new Services and Products must begin at the Business as reasonably required by Franchisor.

(f) No service or product, except approved Services or Products, may be offered for sale from the Territory, unless Franchisee receives the prior written consent of Franchisor (which may be granted or denied in Franchisor's sole discretion).

(g) Only advertising and promotional material, services, equipment, supplies, and uniforms that meet Franchisor's standards and specifications shall be used at the Business. Advertising and promotional materials, tools, services, equipment, inventory, products, signage, supplies and uniforms produced or approved by Franchisor for use by Franchisee may be used only in the manner and during the period specified by Franchisor.

(h) Equipment, signs, Services, Products, supplies and other items must be added, eliminated, substituted and modified at the Business as soon as practicable in accordance with changes in Franchisor's specifications and requirements.

(i) The Business and everything related to the Business must be maintained in first-class condition and must be kept clean, neat and sanitary. All maintenance, repairs and replacements reasonably requested by Franchisor or needed in connection with the Business must be promptly made. All employees must be clean and neat in appearance.

(j) No alterations of the Business materially affecting the image of the Business may be made except at Franchisor's request or approval, and any alterations must strictly conform to specifications and requirements established or approved by Franchisor.

(k) The Business operated by Franchisee, and the Services and Products distributed and sold by Franchisee must comply with all applicable federal or state, electric code laws, ordinances, rules, regulations and other requirements. Franchisee must obtain all business licenses and permits required by federal, state and local laws, ordinances, rules and regulations before operating its Business.

(l) The equipment and supplies, the inventory and other items on hand at the Business, must be at all times sufficient to efficiently meet the anticipated volume of business.

(m) The payment of all debts and taxes arising in connection with the Business except those duly contested in a bona fide dispute must be paid when due.

(n) Franchisee must provide to customers at least the minimum warranty required by Franchisor as described in the Manual. Franchise acknowledges and agrees that Franchisee shall be obligated to provide Franchisor's warranty service to all existing customers, including labor, materials, and all other required services, in Franchisee's Territory even if Franchisee did not sell the original light system or Franchisee acquired the Territory through a transfer from another Franchisee or by purchasing a previously existing Territory from Franchisor.

(o) Franchisee shall accept all major credit cards as payment, and such other forms of payment as specified by Franchisor in the Manual.

(p) Franchisee will use its best efforts to ensure customer satisfaction; use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as Franchisor deems necessary or appropriate to resolve customer disputes.

(q) Franchisee shall comply with all terms under any software license agreement and pay Franchisor or its designated supplier the then-current initial and ongoing fees for any software Franchisee is required to use in the operation of its Business as prescribed by Franchisor.

(r) Franchisee shall comply with the advertising requirements set out in Section 11.

(s) Franchisee will not use any materials that are false or misleading or communicate anything to customers or prospective customers that is false or misleading.

(t) Franchisee will ensure that all advertising, labeling, packaging and other materials associated with the Services and Products fully conform to all applicable laws and regulations.

(u) Franchisee must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Business and must operate the Business in full compliance with all applicable laws, ordinances and regulations including consumer protection laws, and labor and employment laws. Franchisee must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, award of decree, by any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of Franchisee or the Business. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Business. Franchisee will not conduct any business or advertising practice which injures Franchisor's business, the System or the goodwill associated with the Marks and other Outdoor Lighting Perspectives® businesses. Franchisee will control the quality of the Services and Products to avoid quality problems or product liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers.

(v) Franchisee will be solely responsible to locate, interview, hire, schedule, supervise, compensate and discipline all employees of the Business and be exclusively responsible for all terms of their employment, compensation and other personnel-related matters without influence from Franchisor. Franchisee will implement a training program for Business employees and will maintain at all times a staff of trained employees sufficient to operate the Business in compliance with Franchisor's mandatory standards.

8.3 While Franchisor may prescribe standards, specifications, processes, procedures, requirements or instructions the Manuals or this Agreement, Franchisor shall not have control over the day-to-day managerial operations of the Business, or the specific manner and means by which Franchisee complies with Franchisor's mandatory standards and procedures.

8.4 Franchisor and Franchisor's representatives will have the right during business hours to inspect the Business and all other facilities used for service or storage, sale and transportation of any approved Products. Franchisor and Franchisor's representatives will have the right to discuss with

Franchisee, or other managerial personnel Franchisee may designate, all matters that may pertain to compliance with this Agreement and with Franchisor's standards, specifications, requirements, instructions and procedures and Franchisor may take photographs of Franchisee's completed work as it relates to the Business. Franchisor and Franchisor's representatives have the right to require that Franchisee demonstrate that the Business employees are properly trained in a manner sufficient to provide Services in compliance with Franchisor's standards and procedures. Franchisee shall in all respects cooperate with Franchisor's rights under this Section 8.4, provided, that Franchisor's exercise of these rights shall not unreasonably interfere with Franchisee's conduct of the Business.

8.5 On at least thirty (30) days prior written notice, Franchisor, in Franchisor's sole discretion, may specify a new service or product as a required Service or Product in Franchisee's Territory. The new service or product will not be deemed a required Service or Product if Franchisee demonstrates to Franchisor's reasonable satisfaction that:

(a) A substantial capital improvement not contemplated by this Agreement or in the Manual is required, thereby resulting in a material hardship to Franchisee; or

(b) A material reduction in sales or profitability would result therefrom. For the purposes of this Section 8.5(b), a forty percent (40%) decrease in sales from the average sales in the prior twelve (12) months would be considered a material reduction in sales, and a thirty percent (30%) reduction in profitability from the average profitability during the previous twelve (12) months would be considered a material reduction in profitability.

8.6 Franchisor may require Franchisee's compliance with the provisions of this Section 8 even if it does not require such compliance by all franchisees.

8.7 If Franchisee is an individual, Franchisee must directly supervise the Business and all employees. If Franchisee is a corporation or other business entity, or if Franchisee has, in Franchisor's sole judgment, insufficient experience in a business similar to the franchise or insufficient experience in business management in general, then Franchisee shall nominate an operating partner or manager having required experience who shall have direct responsibility for all operations of the Business, and who shall own not less than one-third of the corporate or business equity. If Franchisee desires to change the operating partner or manager, Franchisee must demonstrate to Franchisor's satisfaction that any replacement operating partner or manager is trained and qualified to be responsible for all aspects of the Business.

8.8 Franchisee shall become a member of such trade associations or organizations which in the reasonable opinion of Franchisor are useful in the operation of the Business. Franchisee shall have the option to become a member of all benefit programs which are offered from time to time by Franchisor to all of its Franchisees. The costs of participating in such trade associations and benefit programs shall be borne by Franchisee and its employees (if applicable to the employees). Nothing in this Section 8.8 limits Franchisee's freedom to join any franchise or franchisee's association of its choosing.

8.9 Franchisee shall acquire, maintain, and upgrade computer, information processing and communication systems, including all applicable hardware, software, and Internet and other network access providers, and Web site vendors, as prescribed in the Manual, as modified periodically by Franchisor. Franchisee shall comply with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services. When created and operational, Franchisee shall utilize Franchisor's proprietary database management and intranet system as the exclusive means for tracking and maintaining customer, vendor, and lead information, and for such other uses as prescribed by Franchisor periodically in the Manual.

8.10 Franchisee shall at all times maintain an active email account and shall check the account at least once each day. When available, Franchisee shall maintain an email account on Franchisor's proprietary database management and intranet system.

8.11 Franchisee shall at all times have sufficient computer skills to operate Franchisee's computer, understand how to utilize the software, and access email, the Internet, and Franchisor's proprietary database management and intranet system. If Franchisor determines that Franchisee requires additional computer training, Franchisor will notify Franchisee in writing regarding the nature of the additional training required, and Franchisee will have ninety (90) days to complete such training at a local computer training school at Franchisee's sole cost and expense. At the end of the training program, Franchisee shall present a certificate reasonably acceptable to Franchisor establishing that Franchisee passed the training course. Franchisee's failure to seek additional training or to pass the course shall constitute a default of this Agreement.

8.12 Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor has taken reasonable steps to ensure that these problems will not materially affect the System. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems, and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures, or attacks. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

9. PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES

9.1 Franchisee must purchase all Products, services, equipment, tools, inventory, supplies and hardware and software from Franchisor's designated suppliers, manufacturers and distributors (which may include Franchisor or its affiliates). The standards and specifications for equipment, computer hardware and software, inventory, tools, vehicles, signage, supplies, services and Products required by Franchisor shall be maintained in the Manual. Franchisor has the right to require Franchisee to discontinue purchasing any Products, services, equipment, tools, inventory, supplies, hardware, advertising and marketing materials, or software from a designated supplier, manufacturer or distributor and may designate new suppliers, manufacturers or distributors at any time in its sole discretion.

9.2 Franchisee acknowledges and agrees that Franchisor may receive from designated suppliers of Franchisee's Products, services, equipment, tools, inventory, supplies, advertising and marketing materials, and hardware and software, periodic volume rebates or other revenue as a result of Franchisee's purchases. Franchisee further acknowledges and agrees that Franchisor shall be entitled to keep for its own use and account such rebates and revenue.

9.3 The names and addresses of Franchisor's required suppliers, manufacturers and distributors shall be maintained in the Manual. Franchisor reserves the right to approve all of the Products, supplies, Services, equipment, tools, inventory, hardware and software advertising and marketing materials used in connection with Franchisee's Business.

10. MARKS AND COPYRIGHTED WORKS

10.1 Franchisee acknowledges and agrees that:

(a) Franchisor is the owner of all right, title and interest, together with all the goodwill of the Marks. Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the Business, and the Products and Services, and that Franchisor desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. In the event that Franchisee acquires any rights, title or interest in the Marks, Franchisee agrees to assign and hereby assigns all such rights, title or interest to Franchisor.

(b) All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Marks or in association with the Business ("**Copyrighted Materials**") are the property of Franchisor. Additionally, all Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the property of Franchisor, who shall be entitled to use and license others to use the Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to Franchisor, Franchisee irrevocably assigns and agrees to assign to Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required in this Section 10.1(b).

(c) Franchisee will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Marks or Copyrighted Materials or Franchisor's ownership of the Marks or Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with Franchisor's ownership of the Marks or Copyrighted Materials, nor will it represent that it has any right, title, or interest in the Marks or Copyrighted Materials other than those expressly granted by this Agreement.

(d) Franchisor may decide, in its sole and absolute discretion, to apply to register or to register any trademarks or copyrights with respect to the Services, Products and any other products and services and the Copyrighted Materials. Failure of Franchisor to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks or any trademark, service mark or logo confusingly similar thereto or any Copyrighted Materials, anywhere in the world.

(e) Upon Franchisor's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving, and enforcing Franchisor's rights in the Marks and Copyrighted Materials, including but not limited to, executing and delivering to Franchisor such documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the Services and Products and other products and services. Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing such documents.

(f) All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor. This Agreement does not confer any goodwill or other interests in the Marks to Franchisee upon expiration or termination of the Agreement.

(g) FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS OR COPYRIGHTED MATERIALS.

10.2 Franchisee acknowledges and agrees that:

(a) Franchisee's right to use the Marks and Copyrighted Materials are derived solely from this Agreement. Franchisee may only use the Marks and Copyrighted Materials in its operation of the Business and only incompliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Manual and elsewhere from time to time during the Initial Term and any Interim Period. Franchisee will make every effort consistent to protect, maintain, and promote the Marks as identifying the System and only the System.

(b) Any unauthorized use of the Marks or Copyrighted Materials by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and in and to the Marks and Copyrighted Materials.

(c) Franchisee will not use any Marks or portion of any Marks as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law.

(d) In order to preserve the validity and integrity of the Marks and Copyrighted Materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its Business, Franchisor or its agents shall have the right of entry and inspection of Franchisee's Business and operating procedures pursuant to Section 8.4.

(e) Franchisee will safeguard and maintain the reputation and prestige of the Marks and Copyrighted Materials and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Marks. Franchisee will not do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor counsel, procure or assist anyone else to do the same.

(f) Franchisee will use the Marks and Copyrighted Materials only in lettering, logos, print styles, forms, and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, invoices, stationery, and promotional items such as clothing, pens, mugs, etc., which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Marks and Copyrighted Materials as provided in the Manual and otherwise given by Franchisor from time to time.

(g) Franchisee will use the following copyright notice at least once on each piece of advertising, promotional, or other material used in connection with the Products and Services:

© (year of first publication). Outdoor Lighting Perspectives Franchising, Inc., All Rights Reserved.

(h) Franchisee will use the Marks with a superscript "®" or "™", as specified by Franchisor, unless and until advised by Franchisor to use a different notice.

10.3 Franchisee acknowledges and agrees that:

(a) If, in Franchisor's reasonable determination, the use of Marks or Copyrighted Materials in connection with the Services, Products, other products and services or the Business will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Marks or Copyrighted Materials, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify or discontinue of the Marks or Copyrighted Materials then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use 1 or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. Franchisor shall reimburse Franchisee for the tangible cost of compliance with this requirement (such as the cost of printing new letterhead and business cards), but Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof and Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Marks or Copyrighted Materials.

(b) Franchisee shall notify Franchisor within three (3) days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof or the Copyrighted Materials. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks or Copyrighted Materials, Franchisor shall have the sole right, but not the duty, to defend any such action. Franchisor shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks or Copyrighted Materials and shall exercise such right in the sole discretion of Franchisor. Franchisor shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks, Copyrighted Materials or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. At Franchisor's option, Franchisee will join in any action, in which case Franchisor shall bear all the out-of-pocket costs of Franchisee for such participation. If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Franchisor and Franchisee.

10.4 All provisions of this Agreement applicable to the Marks and Copyrighted Materials apply to any and all additional trademarks, service marks, commercial symbols and copyrighted materials authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

10.5 If Franchisee during the Initial Term of the franchise relationship or any Interim Period, conceives or develops any improvements or additions to the System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the System or the Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the Business or any advertising and promotional ideas or inventions related to the Business (collectively, the "**Improvements**") Franchisee shall fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor's written approval prior to using such

Improvements. Any such Improvement may be used by Franchisor and all other franchisees without any obligation to Franchisee for royalties or other fees. Franchise shall assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisor, at its discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Franchisor, in securing such rights. Franchisor may also consider such Improvements as the property and Trade Secrets of Franchisor. In return, Franchisor shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees.

11. ADVERTISING AND PROMOTION

11.1 Franchisee acknowledges that local advertising is required to advise the public of the Business. As such, Franchisee shall advertise and promote the opening of the Business at Franchisee's own expense. However, Franchisor will recommend the type, manner, and time period for advertisements.

11.2 Franchisee, in addition to paying for the Initial Marketing Collateral, vehicle wrap and tradeshow both, will invest, for the first ninety (90) days after Franchisee satisfactorily completes, in Franchisor's sole discretion, Phase I of the Initial Training Program, a total of $20,000 on promotional advertising within the Territory ("**Start-Up Advertising**"). The amounts Franchisee spends on Start-Up Advertising will be credited towards Franchisee's first year of Individual Advertising Investment (as described in Section 11.3 below).

11.3 During the Initial Term and any Interim Period, Franchisee shall invest a minimum of $40,000 per year for advertising and promotion ("**Individual Advertising Investment**") in the Territory.

11.4 During the Initial Term and any Interim Period, Franchisee shall furnish Franchisor an accounting of Franchisee's previous month's expenditures for advertising and promotion on a form approved by Franchisor.

11.5 Franchisor will make available to Franchisee all advertising and promotion materials for the Business which are used by Franchisor and other franchisees. Franchisor must approve or disapprove before publication, Franchisee's packet mailings in writing within ten (10) working days after Franchisee submits them for review. If Franchisor takes no action, Franchisee may use the packet mailings submitted. Franchisee may not develop advertising materials for its own use; except that, Franchisee may develop packet mailings approved by Franchisor for its own use and at its own cost and expense.

11.6 On or before the tenth (10^{th}) day of each month, and in addition to any amounts spent by Franchisee in satisfying Franchisee's Individual Advertising Investment, Franchisee shall remit one and one-half percent (1.5%) of the Gross Revenues for the preceding month or portion thereof to Franchisor ("**National Branding and Marketing Fee**"). If Franchisee has timely paid the National Branding and Marketing Fee and the Gross Revenues in any calendar year exceed $1,000,000, Franchisee may cease paying the National Branding and Marketing Fee for the remainder of that calendar year. Franchisor reserves the right, in Franchisor's sole discretion, to increase the National Branding and Marketing Fee to an amount equal to up to three percent (3%) of the Gross Revenues for the previous month. Franchisor will provide Franchisee with thirty (30) days prior notice before increasing the National Branding and Marketing Fee. No action taken by Franchisee shall diminish Franchisee's obligations to pay the National Branding and Marketing Fee to the National Branding and Marketing Fund ("**National Branding and Marketing Fund**").

11.7 Advertising materials and services will be provided to Franchisee through the National Branding and Marketing Fund. Franchisor may occasionally provide for placement of advertising on behalf of the entire System, including franchisees or on behalf of a particular region, that may not include Franchisee, through the National Branding and Marketing Fund. Franchisor reserves the right to use the National Branding and Marketing Fee from the National Branding and Marketing Fund to place advertising in national media or regional media (including broadcast, print or other media) in the future. Franchisee acknowledges that the National Branding and Marketing Fund is intended to maximize the general brand recognition of the System. Franchisor is not obligated to expend National Branding and Marketing Funds on Franchisee's behalf or benefit or expend National Branding and Marketing Funds equivalent or proportionate to Franchisee's National Branding and Marketing Fees on Franchisee's behalf or benefit.

11.8 National advertising, public relations, and promotions will be started and continued by Franchisor, when, in Franchisor's sole discretion, Franchisor deems that it has accumulated sufficient moneys for that purpose. The National Branding and Marketing Fund will be used to promote the System, Services and/or Products sold by franchisees and will not be used to sell additional franchises. Franchisor's accounting and marketing personnel or a representative designated by Franchisor will administer the National Branding and Marketing Fund. The National Branding and Marketing Fund will collect National Branding and Marketing Fees from all franchisees. All payments to the National Branding and Marketing Fund must be spent on advertising, public relations, market research, creative development, promotion, marketing of goods and services provided by Franchisor, outside vendors, including but not limited to marketing agencies, and administration of the National Branding and Marketing Fund, including but not limited to, salaries, overhead, administrative, accounting, collection and legal costs and expenses. The National Branding and Marketing Funds will be maintained by Franchisor in a separate account. An annual un-audited financial statement of the National Branding and Marketing Fund, at the expense of the National Branding and Marketing Fund, will be available one-hundred twenty (120) days after Franchisor's fiscal year end to Franchisee for review once a year upon request.

11.9 The National Branding and Marketing Fees collected by the National Branding and Marketing Fund are non-refundable. The National Branding and Marketing Fund may be terminated at any time by Franchisor, in its sole discretion. In the event that the National Branding and Marketing Fund is terminated, any remaining balance in the National Branding and Marketing Fund will be expended as provided for in Section 11.8 or returned to Franchisee on a pro-rata basis.

11.10 Franchisee shall fully participate in all such promotional campaigns, prize contests, special offers, and other programs, national, regional, or local in nature (including the introduction of new Services, Products, new franchises or other marketing programs directed or approved by Franchisor), which are prescribed from time to time by Franchisor. Franchisee shall be responsible for the costs of such participation. In addition, Franchisee shall honor any coupons, gift certificates or other authorized promotional offers of Franchisor at Franchisee's sole cost unless otherwise specified in writing by Franchisor. Franchisee will maintain an adequate supply of marketing brochures, pamphlets and promotional materials as may be required by Franchisor from time to time. Franchisee shall be responsible for the costs of such participation.

11.11 Franchisor (and any designee of Franchisor) will have no direct or indirect liability or obligation to Franchisee or the National Branding and Marketing Fund or otherwise with respect to the management, maintenance, direction, administration or otherwise of the National Branding and Marketing Fund. Franchisee and Franchisor agree that their rights and obligations with respect to the National Branding and Marketing Fund and all related matters are governed solely by this Agreement and neither

this Agreement or the National Branding and Marketing Fund creates a trust, fiduciary relationship, or similar arrangement.

12. INSURANCE AND INDEMNITY

12.1 Franchisee must comply with the following insurance requirements:

(a) Franchisee shall, upon commencement of the Initial Term, purchase and at all times maintain in full force and effect during the Initial Term and any Interim Period, insurance policies, in such amounts and on such terms as prescribed below or in the Manual, issued by one or more insurance companies acceptable to Franchisor. Insurance coverage must include, but is not limited to the following with the coverage limits described in the Manual: (i) Commercial General Liability, including coverage for bodily injury and property damage, personal and advertising injury, products completed operations and general aggregate; (ii) Workers' Compensation and Employer's Liability, including coverage for bodily injury by disease per employee, bodily injury by disease in the aggregate, and bodily injury by accident; (iii) Automobile liability; and (iv) Umbrella liability.

(b) Commercial General Liability shall be occurrence based coverage (not claims-made) with defense outside of limits, which includes Bodily Injury and Property Damage Liability, Personal and Advertising Injury Liability and the Products-Completed Operations Hazard. At a minimum, the policy shall contain an exception to the pollution exclusion for hostile fire. Automobile Liability shall cover "any auto." Umbrella Liability shall include as scheduled underlying insurance Comprehensive General Liability, Employer's Liability and Auto policies.

(c) In addition to the requirements set forth above or in the Manual, Franchisor requires Franchisee to purchase and maintain the following types of insurance: (a) all insurance required under any lease, deed of trust, contract for deed or any other legal contract; (b) "all risk" property insurance for the full replacement of the Franchisee's premises and all personal property and equipment used by the Franchisee; (c) business interruption and extra expense insurance for a minimum of 12 months to cover loss of profits and continuing expense, including payment of royalty fees with Franchisor named as a loss payee with respect to those fees; and (d) any insurance required by federal, state or local statute or rule.

(d) Franchisee's Comprehensive General Liability, Auto and Umbrella policies shall name Franchisor and its parent, Outdoor Living Brands, Inc., their affiliates and such other parties as Franchisor may designate, as additional insureds. Coverage for the additional insureds shall not be limited to claims of vicarious liability. In addition, the Franchisee's insurers shall endorse or otherwise amend the policies such that their policies: (a) are primary and non-contributory; (b) waive any right of subrogation as respects the additional insureds; and (c) provide the additional insureds thirty (30) days' advance written notice of cancellation or other material change in coverage.

(e) Franchisee shall provide Franchisor with original or duplicate copies of all insurance policies, including endorsements, or other proof of insurance acceptable to Franchisor evidencing coverage required by this Section, together with proof of payment within ten (10) days of issuance thereof. Franchisee shall also furnish Franchisor with all proof of insurance coverage required by this Section, including endorsements, within ten (10) days after any of the following events: (a) all policy renewals, but not less often than annually, and (b) all instances of any change to, addition to, or replacement of any insurance. The policies and endorsements for

each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is subject to approval by Franchisor. Franchisor reserves the right to require complete, certified copies of all required insurance policies at any time in Franchisor's sole discretion.

(f) In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance, within five (5) days after the date Franchisor delivers an invoice detailing such costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Section 17 of this Agreement.

(g) Franchisee's obligation to obtain and maintain insurance coverage in the amounts required by Franchisor shall not be limited in any way by reason of any insurance that Franchisor may maintain, nor does Franchisee's procurement of required insurance relieve Franchisee of liability under the indemnity obligations described in Section 12.2. Franchisee's insurance procurement obligations under this Section are separate and independent of Franchisee's indemnity obligations.

(h) Franchisor does not represent or warrant that any insurance that Franchisee is required to purchase will provide adequate coverage or protection for Franchisee. The requirements of insurance specified in this Agreement or the Manual are strictly for Franchisor's protection. Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance professionals to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by Franchisor.

(i) Franchisor reserves the right to modify minimum insurance requirements at any time in its sole discretion by updating the Manual.

12.2 Franchisee shall, during the Initial Term and any Interim Period and after the termination or expiration of the Franchise Agreement for any reason, indemnify and defend Franchisor, its Affiliates and their respective officers, directors and employees (the "Indemnified Parties"), and hold the Indemnified Parties harmless against, and to reimburse the Indemnified Parties for, all claims, demands, losses, damages (including punitive damages), actions, costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious, (the "**Damages**"), arising out of or relating to Franchisee's operation of the Business or breach of this Agreement or any other agreement between Franchisee and the Indemnified Parties, including without limitation those Damages related to (a) Franchisee's Business premises or other premises; (b) Franchisee's taxes or other Business expenses, and (c) Franchisee's or its employees' acts or omissions; unless the Damages are solely due to Franchisor's or Franchisor's Affiliates' gross negligence or willful misconduct relating to products purchased by Franchisee from Franchisor or its Affiliates. Franchisee must provide Franchisor with prompt written notice of any event(s) that could be a basis for a claim for Damages or a basis for indemnification by the Indemnified Parties.

Notwithstanding the foregoing, in the event of an indemnified claim, at Franchisor's option and at Franchisee's risk and expense, Franchisor or any of the Indemnified Parties have the right to elect to assume the defense or settlement of any claim or action for Damages, provided that Franchisor will keep

Franchisee informed respecting the defense or settlement of the claim or action. Franchisor's undertaking of defense or settlement will not diminish Franchisee's obligation to indemnify the Indemnified Parties and to hold the Indemnified Parties harmless. Franchisor and the other Indemnified Parties will have the right, at any time, to offer, consent or agree to settlements or take any other remedial or corrective actions respecting any claim for Damages if, in Franchisor's sole judgment, there are reasonable grounds to do so.

13. RELATIONSHIP

13.1 Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of Franchisor and no training or supervision given by, or assistance from, Franchisor shall be deemed to negate such independence. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. Franchisor and Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them. Franchisee shall conspicuously identify itself in all dealings with the public as a sole operator that is an entity separate from Franchisor and state that Franchisor has no liability for the Business being conducted from the Business location. It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor's supervision or control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

13.2 Neither party hereto shall make any agreements, representations or warranties (except by Franchisor in advertising as provided herein) in the name of, or an behalf of, the other party; neither party hereto shall be obligated by, nor have any liability for, any agreements, representations or warranties made by the other (except by Franchisor in advertising as provided herein) nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of Franchisee's Business, whether caused by Franchisee's negligent or willful action or failure to act.

13.3 Franchisor shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, Franchisee's employees, any product vendors, or any value added, sales, use, service, occupation, excise, Gross Revenues, income, property or other tax levied upon Franchisee, Franchisee's property, the Business or upon Franchisor in connection with the sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor).

14. CONFIDENTIAL INFORMATION AND RESTRICTIVE COVENANTS

14.1 Confidential Information. Franchisee acknowledges and agrees that:

(a) Franchisee's entire knowledge of the operation of the Business, the System, and the concepts and methods of promotion franchised hereunder that it has now or obtains in the future is derived from Franchisor's Confidential Information and Trade Secrets. Franchisee

further acknowledges and agrees that all of the Confidential Information and Trade Secrets are the sole property of Franchisor, represent valuable assets of Franchisor and that Franchisor has the right to use the Confidential Information and Trade Secrets in any manner it wishes at any time.

(b) During the Initial Term and any Interim Period, Franchisee, and Franchisees' owners, operating managers, and employees who have access to the Confidential Information and Trade Secrets agree that they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information and Trade Secrets; and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets.

(c) After the Agreement expires or is terminated, Franchisee, and Franchisees' owners, guarantors, operating managers and employees who have access to the Confidential Information and Trade Secrets agree that for a period of two (2) years after the termination or expiration of the Agreement (unless such information is a Trade Secret in which case the requirements in this Section 14.1(c) will remain in place for as long as such information constitutes a Trade Secret) they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information or Trade Secrets; and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets.

(d) Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) Confidential Information in the public domain after it was communicated to Franchisee through no fault of Franchisee, its owners, operating manager or employees; (b) Confidential Information in Franchisee's possession free of any obligation of confidence at the time it was communicated to Franchisee; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose the information, if Franchisee has notified Franchisor before disclosure and used Franchisee's best efforts, and afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

(e) Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain Trade Secrets, as specified in the Manual.

14.2 Restrictive Covenants. Franchisee covenants and agrees that:

(a) During the Initial Term of this Agreement and any Interim Period thereof, Franchisee, its owners, guarantors and operating manager shall not, without the prior written consent of Franchisor, either individually or in a partnership, corporation, limited liability company, joint venture or other business entity or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder, member, partner, employee or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business operating in competition with an outdoor lighting

business or any Business as carried on from time to time during the Initial Term of this Agreement, including any Interim Period.

(b) Upon termination or expiration of the Initial Term or any Interim Period, regardless of the cause, or the transfer, sale or assignment of this Agreement by Franchisee, neither Franchisee, any guarantors, the operating manager or Franchisee's owners will have any direct or indirect interest (i.e. through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two (2) years, in any Business: (1) in the Territory or another franchisee's territory; (2) within 10 miles of the Territory or another franchisee's territory; or (3) within 10 miles of any Business owned by Franchisor or its Affiliates.

14.3 During the Initial Term (including any Interim Period) of this Agreement and for a period of two (2) years thereafter, Franchisee, Franchisee owners, and the operating manager shall not attempt to attain an unfair advantage over other franchisees or Franchisor or any Affiliates thereof by soliciting for employment any person who is, at the time of such solicitation, employed by Franchisor, other franchisees or any Affiliates in a managerial or supervisory role, nor shall Franchisee directly or indirectly induce or attempt to induce any such person to leave his or her employment as aforesaid.

14.4 If any person restricted by this Section 14 refuses to voluntarily comply with the foregoing obligations, the two (2) year period will commence upon the entry of any order of a court or arbitrator enforcing this Section 14.

14.5 THE PARTIES HAVE ATTEMPTED IN SECTION 14.2 ABOVE TO LIMIT FRANCHISEE'S RIGHT TO COMPETE ONLY TO THE EXTENT NECESSARY TO PROTECT FRANCHISOR FROM UNFAIR COMPETITION. THE PARTIES HEREBY EXPRESSLY AGREE THAT IF THE SCOPE OR ENFORCEABILITY OF THE PROVISION OF SECTION 14.2 IS DISPUTED AT ANY TIME BY FRANCHISEE, A COURT OR ARBITRATOR, AS THE CASE MAY BE, MAY MODIFY SECTION 14.2 TO THE EXTENT THAT IT DEEMS NECESSARY TO MAKE SUCH PROVISION ENFORCEABLE UNDER APPLICABLE LAW. IN ADDITION, FRANCHISOR RESERVES THE RIGHT TO REDUCE OR CLARIFY THE SCOPE OF SAID PROVISION WITHOUT FRANCHISEE'S CONSENT, AT ANY TIME OR TIMES, EFFECTIVE IMMEDIATELY UPON NOTICE TO FRANCHISEE. THE FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE THE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

14.6 Nothing in this Section 14 shall prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934, provided that Franchisee is otherwise not actively involved in the management or operation of that business and does not serve that business in any capacity other than as a shareholder.

14.7 Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information and Trade Secrets in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets and other information with Franchisee absent Franchisee's agreement to strictly comply with the provisions of this Section 14. Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to Franchisor's Trade Secrets and

Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in this Section 14 will be deemed to threaten immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond.

14.8 In the event that Franchisee is not an individual, this Section 14 will also apply to the officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of Franchisee, Franchisee, and any persons controlled by, controlling or under common control with Franchisee. In the event that Franchisee is an individual, this Section 14 will also apply to Franchisee's spouse and immediate family members.

15. ASSIGNMENT

15.1 Franchisee acknowledges that Franchisor's obligations under this Agreement are not personal. Franchisor shall have the absolute right, in its sole discretion, to unconditionally transfer or assign this Agreement or any of its rights or obligation under this Agreement to any person, corporation or other party.

15.2 Franchisor reserves the right to assign the franchise System to anyone including the operator of a competing franchise system. Franchisee acknowledges and agrees that Franchisor may sell its assets, the Marks or the System to any third party of Franchisor's choice; may offer its securities privately or publicly; may merge with or acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leverage buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without Franchisee's consent and, provided the transferee expressly assumes and undertakes to perform Franchisor's obligations in all material respects, free of any responsibility or liability whatsoever to Franchisee after the transaction occurs.

15.3 With regard to any of the above sales, assignment and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks, assets or the System from Franchisor to any other party.

15.4 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. Accordingly, this Agreement, Franchisee's rights and interests hereunder, the property and assets owned and used by Franchisee in connection with the Business and any shares, stock, membership or interest in any corporation, limited liability company, or other entity having an interest in the Business, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub-franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of Franchisee if Franchisee is an individual), in whole or in part, in any manner whatsoever without the prior written approval of Franchisor and compliance with all terms of this Section 15. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by Franchisor.

15.5 With and after each valid assignment of this Agreement pursuant to this Section 15, the assignee or assignees of Franchisee shall be deemed to be Franchisee under this Agreement and will be bound by and liable for all of Franchisee's existing and future obligations. No stockholder in any corporation, member in any limited liability company or partner in any partnership which becomes Franchisee shall have any rights under this Agreement by reason of his, her or its stock ownership, membership interest or partnership interest.

15.6 If Franchisee shall at any time determine to sell, in whole or in part, the Business, Franchisee shall obtain a bona fide, executed, written offer ("**Purchase Offer**") for the Business together with all real or personal property, leasehold improvements and other assets used by Franchisee in its Business from a responsible, arms' length, and fully disclosed purchaser and shall submit an exact copy of such Purchase Offer to Franchisor. Franchisor will have a right of first refusal to purchase the Business as provided in Section 16.

15.7 No transfer or assignment of Franchisee's rights under this Agreement will be approved by Franchisor or be effective unless and until all the following conditions are satisfied:

(a) Franchisee being then in full compliance herewith and paying to Franchisor all outstanding debts or amounts owing to Franchisor;

(b) the transferee executing Franchisor's then current franchise agreement (which shall have terms equal to the remainder of Franchisee's Initial Term, but which may contain provisions substantially different from those contained herein, including a higher royalty and greater expenditures for advertising and promotion than are provided hereunder, and such other documents then customarily used by Franchisor to grant franchises, and which will extend for a new five-year term, but which shall not require the payment of another Initial Franchisee Fee), all other documents as may be reasonably requested by Franchisor and paying to Franchisor;

(c) Franchisee's paying to Franchisor a transfer fee ("**Transfer Fee**") in the amount of $7,500 U.S.;

(d) Franchisee's execution of a general release of Franchisor, including its officers, directors, agents and employees and Affiliates from such parties' obligations under the Agreement;

(e) the transferee purchasing all of Franchisee's assets used in the Business in accordance with all applicable bulk sales legislation and assuming all of the liabilities of the Business, including but not limited to all outstanding warranty liabilities, unless such liabilities have been paid prior to the closing of the transaction of purchase and sale or unless the sale is a sale of shares in the capital stock or membership interest of Franchisee;

(f) the transferee shall be an individual, corporation, limited liability company, partnership or other business entity having adequate financial resources who shall meet all criteria established by Franchisor for franchisees. The transferee shall also complete Franchisor's then current training program established by Franchisor for transfer franchisees unless: (i) the transferee is a current franchisee in good standing in the System, or (ii) the transferee is or has been an operating manager for a period of one (1) year or more of a Business in good standing;

(g) Franchisee shall, at Franchisor's request, prepare and furnish to the transferee and/or Franchisor such financial reports and other data relating to the Business and its operations as Franchisor deems reasonably necessary or appropriate for the transferee and/or Franchisor to evaluate the Business and the proposed transfer. Franchisee authorizes Franchisor to confer with a proposed transferee and furnish it with information concerning the Business and the terms and conditions of the proposed transfer, and Franchisor may do so without any liability, except for intentional misstatements made to a transferee;

(h) the parties to the proposed transaction will have entered a binding agreement subject only to the rights of Franchisor set out in Section 16. Franchisor shall be furnished a copy

of this binding agreement, and such agreement shall be subject to Franchisor's approval in writing. Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement;

(i) the proposed transferee or the stockholders, partners, members or owners of a beneficial interest in a proposed corporation, partnership, limited liability company or other entity transferee, providing jointly and severally such personal guarantees which Franchisor may request, guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into;

(j) the proposed transferee shall have demonstrated to Franchisor's satisfaction that it, he or she will meet in all respects Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, required financial wherewithal, willingness and ability to devote its, his or her full time and best efforts to the operation of the Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as Franchisor may reasonably require. The proposed transferee shall have traveled to Franchisor's headquarters, at the proposed transferee's sole cost and expense, to meet with Franchisor as part of this approval process and prior to Franchisor's approval of the transfer of Franchisee's rights under this Agreement. Because of the confidential information and trade secrets available to a franchisee, no assignment to a competitor of Franchisor will be permitted; and

(k) the transferee paying all costs of: (i) Franchisor with respect to the granting of its approval, as hereinbefore contemplated, including but not limited to all of its legal costs with respect to the preparation and execution of the above noted Franchise Agreement, and all other documents then customarily used by Franchisor to grant franchises; and (ii) the transfer, including but not limited to all professional fees (attorney's fees, broker fees, and the like), leasing expenses, document preparation costs and due diligence.

Franchisor may expand upon, and provide more details related to, the conditions for transfer and Franchisor's consent as described in this Section 15.7, and may do so in the Manual or otherwise in writing.

15.8 Notwithstanding anything to the contrary herein contained, Franchisor shall, upon Franchisee's compliance with such requirements as may from time to time be prescribed by Franchisor (including the obtaining of all necessary approvals to the assignment of leases, if any), consent to an assignment of Franchisee's right, title and interest in and to this Agreement, and the property and assets owned and used by Franchisee in connection therewith and any other agreement then in effect between Franchisee and Franchisor to a corporation, limited liability company or other business entity which is wholly owned and controlled by Franchisee, subject to the following (provided that such assignment shall in no way release Franchisee from any liability under this Agreement):

(a) Contemporaneously with such assignment and thereafter upon the appointment or election of any person as director, officer, partner or manager of such corporation, limited liability company or other business entity, such corporation, limited liability company, partnership or other business entity shall cause each shareholder, partner, member, manager, director(s) and officer(s) of the corporation, limited liability company, partnership or other business entity to execute a written agreement with Franchisor under seal, personally guaranteeing full payment and performance of Franchisee's obligations to Franchisor and

individually undertaking to be bound, jointly and severally, by all the terms of this Agreement or any new current form of Franchise Agreement and jointly and severally liable;

(b) No shares or interest in the capital of such corporation, limited liability company, partnership or other business entity shall be issued nor shall Franchisee directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any such shares or interest or offer or attempt to do so or permit the same to be done without Franchisor's prior written consent;

(c) The corporation shall maintain stop transfer instructions against the transfer of shares on its records subject to the restrictions of this Section and shall have all outstanding shares endorsed with the following legend printed conspicuously upon the face of each certificate:

> "*The transfer of this certificate is subject to the terms and conditions of a certain Franchise Agreement with Outdoor Lighting Perspectives Franchising, Inc. Reference is made to said Franchise Agreement and to the restrictive provisions of the articles of this corporation*."

(d) The articles of incorporation, articles of organization, operating agreement, partnership agreement, shareholder agreement, and by-laws of the corporation, limited liability company, partnership or other business entity shall provide that its objectives or business is confined exclusively to the operation of the Business as provided for in this Agreement, and recite that the issuance and transfer of any shares, membership interest, partnership interest or other interest is restricted by the terms of this Agreement, and copies thereof shall be furnished to Franchisor upon request;

(e) Franchisor's consent to a transfer of any interest subject to the restrictions of this Section shall not constitute a waiver of any claim it may have against the assignor, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the assignee;

(f) The corporation, partnership, limited liability company or other business entity shall advise Franchisor and keep Franchisor current as to the names and addresses of the directors, officers, members, partners and shareholder of and those persons financially involved in the corporation, partnership, limited liability company or other business entity; and

(g) Franchisee agrees to devote its full time and best efforts to manage the day-to-day operations of the franchised business unless it has an operational partner or operating manager approved by Franchisor.

15.9 Upon the death of Franchisee, shareholder, partner, or member the rights granted by this Agreement may pass to the next of kin or legatees, provided that Franchisee's legal representatives shall within one-hundred twenty (120) calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee's rights under this Agreement. Franchisor shall not unreasonably withhold its permission so long as the proposed transferees meet each of the requirements set forth in this Section 15 within thirty (30) days of the receipt of a conditional permission for the transfer.

15.10 Any attempt by Franchisee to transfer any of its rights or interest under this Agreement or the License, without having received Franchisor's prior written consent, will constitute a material breach

of this Agreement. However, if Franchisee dies and its personal representative does not desire to sell the Business, and if under controlling local law Franchisee's interest in the Business, the License and Agreement are distributable to heirs or legatees who are members of his or her immediate family and who otherwise would qualify as assignees, then such attempted assignment by operation of law will not be deemed in violation of this Agreement, provided that such heirs or legatees accept the conditions imposed on otherwise permitted assignees.

15.11 Franchisee shall not have the right to grant a subfranchise.

16. OPTION TO PURCHASE — RIGHT OF FIRST REFUSAL

16.1 Unless otherwise explicitly provided by this Agreement, Franchisor shall be entitled to exercise the rights provided in this Section immediately upon:

(a) The expiration without the extension of Franchisee's rights to operate the Outdoor Lighting Business or the termination for any reason of the License or this Agreement;

(b) Any breach, default or other event that gives Franchisor the right to terminate the License or this Agreement, after expiration of any applicable notice and cure period; or

(c) The receipt by Franchisor of a copy of a Purchase Offer.

16.2 Upon any event described in this Section 16.1, Franchisor shall have the option to purchase all of Franchisee's rights, title and interest in the Business, and all its improvements, furniture, fixtures, equipment and Products, and all of Franchisee's accounts, contract rights, vendor lists, work in progress and other business assets.

16.3 The purchase price for assets itemized in Section 16.2 will be: (i) the current fair market value if Sections 16.1(a) or 16.1(b) is applicable; or (ii) the price specified in the Purchase Offer received by Franchisee if Section 16.1(c) is applicable. If Franchisee and Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by each of Franchisee and Franchisor and an average of the two appraised values will be binding. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business system licensed to Franchisee.

If Franchisor elects to exercise any option to purchase provided in this Section 16, Franchisor will have the right to set off all amounts due from Franchisee under the Franchise Agreement and the cost of the appraisal, if any, against any payment.

16.4 If Franchisor elects to exercise any option to purchase provided in this Section 16, Franchisor will have the right to set off all amounts due from Franchisee under the Franchise Agreement or any other agreements between the parties, any commissions or fees payable to any broker, agent or other intermediary and the cost of the appraisal, if any, against any payment. Franchisee shall also have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

16.5 Franchisor will notify Franchisee of its intention to exercise or not exercise its rights to purchase ("**Notice of Intent**") within sixty (60) days following an event described in Sections 16.1(a) or (b) or within fifteen (15) days following an event described in Section 16.1(c). The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by Franchisor if Sections 16.1(a) or 16.1(b) is applicable. In the event Franchisor is purchasing the assets pursuant to

Sections 16.1(a) or (b), Franchisee will have fourteen (14) days following receipt of Franchisor's Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Section 16.3. If Franchisor declines to exercise its rights under this Section within the fifteen (15) or sixty (60) day period described above, as applicable, Franchisee may thereafter, sell or dispose of the Business to any third party in the event of a sale under Sections 16.1(a) or 16.1(b) or to the third party identified in the Purchase Offer in the event of a sale under Section 16.1(c), but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, or the Notice of Intent and subject to the prior written permission of Franchisor and satisfaction of the other conditions to assignment set forth in Section 15. If the sale to such third party purchaser is not completed within ninety (90) days after Franchisor delivers the Notice of Intent to Franchisee, Franchisor shall again have the right of first refusal herein provided.

16.6 If Franchisor provides Franchisee with its Notice of Intent to exercise its rights under this Section 16, the purchase and sale contemplated in this Section shall be consummated as soon as possible. In the event Franchisor is purchasing the assets pursuant to Sections 16.1(a) or (b), following the delivery of a Notice of Intent as specified in Section 16.5, Franchisor or Franchisor's designee shall have the immediate right to take possession of the Business and to carry on and develop the Business for the exclusive benefit of Franchisor or its designee.

17. DEFAULT AND TERMINATION

17.1 Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its guidance, coaching, assistance or any services to Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement and all rights granted Franchisee hereunder, (subject to the provisions of applicable state law governing franchise termination and renewal), effective upon receipt of notice by Franchisee, addressed as provided in Section 18, upon the occurrence of any of the following events:

(a) Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of Franchisor's Manual, Confidential Information or Trade Secrets of Franchisor;

(b) Franchisee voluntarily abandons the Business for a period of five (5) consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue operation of the Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee;

(c) Franchisee becomes insolvent or is adjudicated a bankrupt; or any action is taken by Franchisee, or by others against Franchisee under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed for Franchisee;

(d) Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas or other appeal bond has been filed); or if execution is levied against Franchisee's Business or any of the property used in the operation of the Business and is not discharged within five (5) days; or if the real or personal property of Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal or constable;

(e) Franchisee or any owner of greater than twenty percent (20%) of Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any

crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof;

(f) Franchisee fails to pay any amounts due Franchisor or Affiliates, including any amounts due as the result of signing a promissory note in favor of Franchisor of any Affiliate for purposes of financing any part of the Initial Franchise Fee, within 10 days after receiving notice that such fees or amounts are overdue;

(g) Franchisee misuses or fails to follow Franchisor's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within ten (10) days after notification from Franchisor;

(h) Franchisee has received two (2) notices of default with respect to Franchisee's obligations hereunder from Franchisor within a twelve (12) month period, regardless of whether the defaults were cured by Franchisee;

(i) Franchisee sells, transfers or otherwise assigns the Business, an interest in the Business or Franchisee entity, this Agreement, the Business or a substantial portion of the assets of the Business owned by Franchisee without complying with the provisions of Section 15;

(j) Franchisee submits on two (2) or more occasions during the Initial Term or any Interim Period a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than three percent (3%), unless Franchisee demonstrates that such understatement resulted from inadvertent error;

(k) Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than five (5) days late on two (2) or more occasions during the Initial Term or any Interim Period unless due to circumstances beyond the control of Franchisee;

(l) Franchisee sells or offers for sale any unauthorized merchandise, product or service, engages in any unauthorized business or practice or sells any unauthorized product or service under the Marks or under a name or mark which is confusingly similar to the Marks;

(m) No site has been designated and accepted pursuant to Section 18;

(n) The Franchise loses possession or the right of possession of all or a significant part of the Business through condemnation, casualty, lease termination or mortgage foreclosure and the Business is not relocated or reopened as provided in Section 18;

(o) Franchisee contests in any court or proceeding the validity of, or Franchisor's ownership of the Marks or copyrighted materials;

(p) Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without Franchisor's prior written consent;

(q) Franchisee or its operating manager fails to successfully complete Franchisor's training or retraining course(s);

(r) Franchisee receives from Franchisor during the Initial Term and any Interim Period three (3) or more notices of default regardless whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by Franchisee; or

(s) Any misrepresentation under Section 1.9 or any violation of Anti-Terrorism Laws by Franchisee, operating manager, its owners, agents or employees.

17.2 Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its guidance, coaching and assistance to Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon thirty (30) days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such thirty (30) day period. In that event, this Agreement will terminate without further notice to Franchisee, effective upon expiration of the thirty (30) day period. Defaults shall include, but not be limited to, the following:

(a) Franchisee fails to maintain the then-current operating procedures and standards established by Franchisor as set forth herein or in the Manual or otherwise communicated to Franchisee;

(b) Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(c) Franchisee fails or refuses to comply with the then-current requirements of the Manual;

(d) Franchisee, or any partnership, joint venture, limited liability company, corporation or other business entity in which Franchisee has a controlling equity interest, defaults under any term of the Lease or any other premises used by Franchisee to operate the Business, any other franchise agreement with Franchisor or any other agreement material to the Business and such default is not cured within the time specified in such Lease, other franchise agreement or other agreement;

(e) Franchisee fails, refuses or neglects to submit a statement of monthly revenues accompanying the Royalty Fee or Individual Advertising Investment or any other report required under the Agreement when due;

(f) Franchisee fails, refuses or neglects to accurately report Gross Revenues, sales information or other information required by Franchisor to be reported; or

(g) Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within ten (10) days (or thirty (30) days if this is the first non-compliance or breach) after written notice from Franchisor (which shall describe the action that Franchisee must take) is delivered to Franchisee.

17.3 Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such thirty (30) day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such thirty (30) day period, Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than thirty (30) additional days.

17.4 A termination of this Agreement by Franchisee shall be deemed to be a termination without cause and a breach hereof, by Franchisee. Franchisee agrees that it shall not, on grounds of an alleged nonperformance by Franchisor of any of its obligations or any other reason, withhold payment of any amount due to Franchisor whatsoever or set off amounts owed to Franchisor under this Agreement, against any monies owed to Franchisee, which right of set off is hereby expressly waived by Franchisee.

17.5 No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. Franchisor may apply any payments made by Franchisee against any past due indebtedness of Franchisee as Franchisor may see fit. Franchisor may set off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to Franchisor, and may, at Franchisor's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee.

17.6 Franchisee agrees to pay within five (5) days of the effective date of termination or expiration of the Franchise all amounts owed to Franchisor, the landlord of the Premises used in the Business (if applicable) and Franchisee's trade and other creditors which are then unpaid.

17.7 All royalty and advertising contributions, all amounts due for goods purchased by Franchisee from time to time from Franchisor or its Affiliates and any other amounts owed to Franchisor or its Affiliates by Franchisee pursuant to this Agreement or any other agreement shall bear interest after the due date at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, both before and after default, with interest on overdue interest at the aforesaid rate. The acceptance of any interest payment shall not be construed as a waiver by Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to Franchisor's right to terminate this Agreement in respect of such default.

17.8 Should Franchisee, or any partnership or joint venture or corporation in which Franchisee has a controlling equity interest, be a franchisee pursuant to another Franchise Agreement with Franchisor, respecting another franchised Business using the Marks, a default under this Agreement shall constitute a default under such other Franchise Agreement and vice versa, with like remedies available to Franchisor. Should such other Franchise Agreement cease to be valid, binding and in full force and effect for any reason then Franchisor may, at its option terminate this Agreement and this Agreement shall be forthwith surrendered by Franchisee and terminated, and likewise should this Agreement cease to be valid binding and in full force and effect for any, reason, Franchisor may at its option terminate the other Franchise Agreement and the other Franchise Agreement shall be forthwith surrendered and terminated. In the event that there is more than one Franchisee, or if Franchisee should consist of more than one legal entity, Franchisee's liability hereunder shall be both joint and several. A breach hereof by one such entity or Franchisee shall be deemed to be a breach by both or all.

17.9 Franchisee agrees that upon termination or expiration of this Agreement, it shall take the following action:

(a) Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings, facsimile numbers, e-mail addresses, the Manual, and all materials, Products and Services of any kind which are identified or associated with the System and return all these materials and Products to Franchisor;

(b) Immediately turn over to Franchisor all materials, including the Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements,

Confidential Information, Trade Secrets and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business (all of which are acknowledged to be Franchisor's property). Under no circumstances shall Franchisee retain any printed or electronic copies of the Manual, Confidential Information or Trade Secrets or portions thereof upon expiration or termination of this Agreement;

(c) Franchisee hereby acknowledges that all telephone numbers, facsimile numbers and Internet addresses used in the operation of the Business constitute assets of the Business; and upon termination or expiration of this Agreement, Franchisee shall take such action within five (5) days to cancel or assign to Franchisor or its designee as determined by Franchisor, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet addresses and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and Internet and e-mail addresses, and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Franchisor. Franchisee acknowledges as between Franchisor and Franchisee, Franchisor has the sole rights to, and interest in, all telephone numbers, facsimile numbers, directory listings and Internet addresses used by Franchisee to promote the Business and/or associated with the Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. **Attachment D** evidences such appointment;

(d) Make no representation nor state that Franchisee is in any way approved, endorsed or licensed by Franchisor or associated or identified with Franchisor or the System in any manner;

(e) Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the System;

(f) Provide Franchisor the option to purchase as set in Section 16; and

(g) Comply with the provisions of Section 10.8 and Section 14.

17.10 If, within thirty (30) days after termination or expiration of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Business, which are identified or associated with the System, Franchisor may enter the Business to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials.

17.11 If, within thirty (30) days after termination or expiration of this Agreement Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, and in Franchisee's name, place and stead and on Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

17.12 Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination or expiration.

17.13 All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 10, 12, 14 and 16, hereof shall survive termination or expiration of this Agreement.

17.14 In the event that this Agreement expires or is terminated for any reason whatsoever and Franchisor is the lender under any loan agreement ("**Loan**") or the holder of any promissory note ("**Note**") or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever ("**Security Interest**") from Franchisee concerning assets used at any time by Franchisee in the Business or which are situated on the Business premises, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

17.15 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions.

17.16 **THE PARTIES WAIVE, TO THE EXTENT PERMITTED BY LAW, ANY CLAIM AGAINST THE OTHER FOR PUNITIVE OR EXEMPLARY DAMAGES; EXCEPT FOR SUCH PUNITIVE OR EXEMPLARY DAMAGES FOR VIOLATION OF THE LANHAM ACT, TRADEMARK INFRINGEMENT OR DILUTION, UNAUTHORIZED DISSEMINATION OF THE CONFIDENTIAL INFORMATION OR TRADE SECRETS OR ARISING UNDER THE INDEMNIFICATION SET OUT IN SECTION 12.**

17.17 The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law.

17.18 Franchisee hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Franchisee agrees that Franchisor may obtain injunctive relief without posting a bond. Franchisee's sole remedy, in the event of the entry of injunctive relief, shall be dissolution of the injunction, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any injunction are hereby expressly waived by Franchisee. In any proceeding concerning the entry of any requested injunction against Franchisee, Franchisee, for value, voluntarily waives any defenses Franchisee might otherwise have relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor shall be a defense to Franchisor's claim for injunctive relief.

17.19 THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

17.20 Franchisee acknowledges and agrees that in addition to, and not in lieu of, all other remedies or rights that Franchisor might otherwise have by virtue of Franchisee's breach of this Agreement, Franchisee must reimburse Franchisor for all attorneys' fees, costs, and expenses (and interest on such fees, costs and expenses) Franchisor incurs to enforce the terms of this Agreement or any obligation owed to Franchisor by Franchisee, including but not limited to amounts incurred in connection with preparation of default notices and related correspondence.

18. CONDEMNATION AND CASUALTY

18.1 Franchisee shall promptly advise Franchisor upon Franchisee's receipt of a notice of default or termination under Franchisee's lease or mortgage, and shall promptly provide Franchisor a copy of the notice. Franchisee shall also give Franchisor notice of any proposed taking of the Business location or any portion thereof through the exercise of the power of eminent domain at the earliest possible time. If the Business or a substantial part thereof is to be taken, the Business may be relocated within the Territory, or elsewhere with Franchisor's written approval in accordance with Franchisor's relocation procedures. If Franchisee opens a new business at another location in accordance with Franchisor's standards and general specifications within one year of the closing of the old Business, the new Business shall be deemed to be the Business licensed under this Agreement. If a condemnation, lease termination or mortgage default takes place and a new Business does not, for any reason, become the Business as provided in this Section, then the License shall terminate upon notice by Franchisor.

18.2 If the Business is damaged, Franchisee shall expeditiously repair the damage. If the damage or repair requires closing the Business, Franchisee shall immediately notify Franchisor in writing, and shall:

(a) Relocate the Business as provided in Section 18.1; or

(b) Repair or rebuild the Business in accordance with Franchisor's then existing standards and general specifications, and reopen the Business for continuous business operations as soon as practicable (but in any event within twelve (12) months after closing the Business), giving Franchisor thirty (30) days advance notice of the date of reopening.

If the Business is not (or, in the opinion of Franchisor cannot be) reopened in accordance with this Section, or relocated pursuant to Section 18.1, the License shall terminate upon notice to Franchisee.

18.3 The Initial Term will not be extended by any interruption in the Business's operations, except for an act of God that results in the Business being closed not less than sixty (60) days nor more than one-hundred and eighty (180) days. Franchisee must apply for any extension within thirty (30) days following the reopening of the Business. No event during the Term will excuse Franchisee from paying Royalty Fees or Advertising Fees as provided in this Agreement.

19. NOTICE

19.1 Any notice of default under this Agreement or the Lease shall be delivered personally or by courier to the appropriate location. Any other notice, request, demand, approval, consent or other communication which the parties hereto may be required or permitted to be give hereunder shall be in writing and may be given to the party for whom it is intended by personal delivery, facsimile transmission, electronic mail or delivering it to such party by mailing it by prepaid registered mail, in the case of Franchisor to:

FRANCHISOR:

Outdoor Lighting Perspectives Franchising, Inc.
2924 Emerywood Parkway, Suite 101
Richmond, VA 23294
Facsimile: (804) 353-1878
Attention: Chief Executive Officer

with a copy to (which shall not constitute notice):

Gray Plant Mooty
500 IDS Center
80 South Eighth Street
Minneapolis, MN USA 55402
Phone: (612) 632-3284
Facsimile: (612) 632-4284
Attention: Kirk Reilly, Esq.

FRANCHISEE:

_____
_____
_____
Facsimile: _____
Attention:_____

with a copy to:

_____
_____
_____
Facsimile: _____
Attention:_____

Any such notice or other document delivered personally or by electronic mail or facsimile transmission shall be deemed to have been received by and given to the addressee on the day of delivery and any such other notice or other document mailed as aforesaid, shall be deemed to have been received by and given to the addressee on the third (3rd) business day following the date of mailing. Any party may at any time give notice in writing to any other party of any change of address.

20. ARBITRATION

20.1 Except as otherwise provided in this Section, any controversy or dispute arising out of, or relating to the franchise or this Agreement including, but not limited to, any claim by Franchisee or any person in privity with or claiming through, on behalf of or in the right of Franchisee, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by Franchisor, or its subsidiaries or Affiliates, and Franchisee, any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor; any claim of breach of this Agreement; and any claims arising under State or Federal laws, shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. "**Person in privity**" with or claiming through, on behalf of or in the right of Franchisee includes but is not limited to, spouses and other family

members, heirs, executors, representatives, successors and assigns. Subject to this Section, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed. The arbitration shall be held in Richmond, Virginia. However, arbitration will not be required to be used for any dispute which involves Franchisee's post termination or expiration use of any of the Marks, System, Confidential Information or Trade Secrets, or Franchisor's right to seek injunctive relief as provided in Section 17.18.

20.2 The single arbitrator shall be selected from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking and ranking method. The arbitrator must have at least five years' experience in franchise law. The arbitrator's fees shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision; and they waive any objections that they would otherwise have concerning venue and personal jurisdiction.

20.3 The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between Franchisor and Franchisee and no other franchisees. Franchisee agrees not to join or attempt to join other franchisees or licensees or person in privity with or claiming through, or on behalf of, Franchisee.

21. MISCELLANEOUS

21.1 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), the Federal Arbitration Act, or other applicable federal law, this Agreement shall be interpreted under the laws of the Commonwealth of Virginia, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the Commonwealth of Virginia, which laws shall prevail in the event of any conflict of law, provided, however, the parties expressly agree that this Nothing in this Paragraph 21.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the Commonwealth of Virginia to which it would not otherwise be subject. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers or directors and Franchisor, its officers, directors, shareholders, members, employees or Affiliates both parties agree that the venue for disputes between them shall be in the Commonwealth of Virginia and each waive any objection either may have to the personal jurisdiction of or venue in the Commonwealth of Virginia. However, Franchisor reserves the right to file any claims it may have against Franchisee in the federal or state court where the Business is located.

21.2 All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; all partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

21.3 If either party institutes a legal proceeding, including court proceedings or arbitration, and prevails in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to

any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses (and interest on such fees, costs and expenses) in connection with any action at law.

21.4 No failure, forbearance, neglect or delay of any kind on the part of Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by Franchisee or Franchisor's other franchisees shall preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of Franchisor's right to enforce that provision at any future time. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon Franchisee or Franchisor or effective unless in writing signed by Franchisee and Franchisor's CEO, President or Vice President, except that a waiver need be signed only by the party waiving.

21.5 This Agreement, together with any written related agreements, all Exhibits, Attachments, addenda, and that certain Acknowledgement Addendum signed contemporaneously with this Agreement, constitutes the entire understanding and agreement between Franchisee and Franchisor and supersedes all prior understandings, whether oral or written, pertaining to this Agreement, License, System or Business. However, nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Franchise Disclosure Document that Franchisor furnished to Franchisee.

21.6 The headings of the sections hereof are for convenience only and do not define, limit or construe the contents of the sections of such Sections or other Sections. The term "**Franchisee**" as used herein is applicable to one (1) or more persons, a corporation, limited liability company, a partnership or other business entity, as the case may be, and the singular usage (where applicable) includes the plural and the masculine and neuter usages (where applicable) include the other and the feminine. The term Lease shall include a sublease, and a renewal or extension of a lease or sublease. Time shall be of the essence of this Agreement and of every part thereof.

21.7 When calculating the date upon which or the time within which any act is to be done pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded; if the last day of such period is a non-business day, the period in question shall end on the next business day. Time shall be of the essence of this Agreement and of every part thereof.

21.8 Neither party hereto shall be liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, lockouts and other labor relations, fires, riots, wars, embargoes and civil commotion, or acts of God ("**Force Majeure Event**"). Any such delay shall extend performance only so long as such event is in progress except such Force Majeure Event will not affect or change Franchisee's obligation to pay Royalty Fees and National Branding and Marketing Fees when due. Notwithstanding the foregoing, if there is a Force Majeure Event, Franchisor, may in its sole discretion, elect to waive the Royalty Fees and National Branding and Marketing Fees during the period of delay caused by the Force Majeure Event or such shorter period.

21.9 Franchisee shall execute and deliver such further instruments, contracts, forms and other documents, and shall perform such further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained. Franchisee hereby irrevocably appoints Franchisor as his attorney, and hereby empowers him to execute such instruments regarding the Marks for and in Franchisee's name in order to give full effect to Sections 10, 12, 15, and 17 of this

Agreement. Franchisee hereby declares that the powers of attorney herein granted may be exercised during any subsequent legal incapacity on its part.

21.10 This Agreement shall be binding upon, and subject to Section 15 hereof, shall inure to the benefit of, Franchisee's successors and permitted assigns.

21.11 This Agreement may only be modified or amended by a written document executed by Franchisee and Franchisor. Franchisee acknowledges that Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Manual unilaterally under any conditions and to the extent in which Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks, and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination. Notwithstanding anything herein to the contrary, Franchisor shall have the right unilaterally to reduce or clarify the scope of any covenants of Franchisee contained in this Agreement upon notice to Franchisee, whereupon Franchisee shall comply therewith as so modified.

21.12 From time to time, Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of Franchisor or independent contractors which Franchisor has contracted with to provide such services. Franchisee agrees in advance to any such delegation by Franchisor of any portion or all of its obligations and duties hereunder.

22. ACKNOWLEDGEMENT

BEFORE SIGNING THIS AGREEMENT, THE FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL.

THE FRANCHISEE ACKNOWLEDGES THAT:

1. NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT, AND IN ANY OFFERING CIRCULAR SUPPLIED TO THE FRANCHISEE, IS BINDING ON THE FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT, AND

2. FRANCHISEE HAD A COMPLETE COPY OF THIS AGREEMENT, WITH ALL BLANKS FILLED IN, IN ITS POSSESSION FOR A PERIOD OF TIME NOT LESS THAN 5 FULL BUSINESS DAYS, DURING WHICH TIME THE FRANCHISEE HAD THE OPPORTUNITY TO SUBMIT SAME FOR PROFESSIONAL REVIEW AND ADVICE OF THE FRANCHISEE'S CHOOSING PRIOR TO FREELY EXECUTING THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE TIME AND OPPORTUNITY TO INVESTIGATE THE FRANCHISOR'S BUSINESS AND TO CONSULT WITH LEGAL AND FINANCIAL ADVISORS OF ITS CHOICE.

3. FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE SYSTEM AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT AND ITS SUCCESS INVOLVES SUBSTANTIAL BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS. FRANCHISEE HEREBY ASSUMES THE RESPONSIBILITY FOR ITS SUCCESS OR FAILURE OF THE BUSINESS VENTURE.

4. FRANCHISOR HAS NOT PROVIDED ANY STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION OF ACTUAL, AVERAGE, PROJECTED, FORECASTED OR POTENTIAL PURCHASES, SALE, COST, EARNINGS, INCOME OR PROFITS TO FRANCHISEE.

5. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY ASSURANCE, WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, EARNINGS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon Franchisor when executed or initialed by Franchisor's authorized representative.

Franchisee and Franchisor, intending to be legally bound, have duly executed, sealed, and delivered two (2) original versions of this Agreement on this ____ day of _____ 20___.

FRANCHISOR:

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

By: _____
Its: Chief Executive Officer
Date: _____

FRANCHISEE:

_____

IF AN INDIVIDUAL:

_____
Franchisee, Individually
Date: _____

IF A PARTNERSHIP, CORPORATION OR OTHER ENTITY:

By: _____
Its: _____
Date: _____

ATTACHMENT A
TO FRANCHISE AGREEMENT

INITIAL FRANCHISE FEES AND TERRITORY

Territory: _____

Initial Franchise Fee:_____

Abatement Period (if any): The Minimum Royalty and the Minimum National Branding and Marketing Fee shall be abated during the following seasonal periods, if any:_____

FRANCHISEE ACKNOWLEDGMENT:

_____
Name

_____
Date

FRANCHISOR ACKNOWLEDGMENT:

_____
Name

_____
Date

ATTACHMENT B
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Franchise Agreement executed between _____ and **Outdoor Lighting Perspectives Franchising, Inc.,** a North Carolina Corporation having its head office at 2924 Emerywood Parkway, Suite 101, Richmond, VA 23294 ("**Franchisor**"), each of the undersigned hereby personally and unconditionally:

1. Guarantees to Franchisor and its successors and assigns, for the Initial Term, including any Interim Period, that _____ ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to the terms of Section 14.

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by Franchisor of the foregoing undertaking;

2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and

5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

1. His or her direct and immediate liability under this guaranty shall be joint and several;

2. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

3. Such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

4. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the Initial Term, including any Interim Period.

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

WITNESS	**GUARANTOR(S)**
_____	_____
_____	_____
_____	_____
_____	_____

ACKNOWLEDGMENT

Franchisee, and its shareholders and partners, as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the first date set forth above.

ACCEPTED on this _____ day of _____ 20_____.

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

By:_____

Its: Chief Executive Officer

FRANCHISEE:

By:_____

Its:_____

_____

an Individual

_____

an Individual

ATTACHMENT C
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee:_____
Trade Name (if different from above):_____

Form of Ownership
(check one)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

_____
_____
_____
_____

Franchisee acknowledges that this Statement of Ownership applies to the Outdoor Lighting Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

_____ _____
Date Name

ATTACHMENT D
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS AND INTERNET ADDRESSES

THIS ASSIGNMENT is entered into this ____ day of _____ 20____, in accordance with the terms of the Outdoor Lighting Perspectives Franchising, Inc. Franchise Agreement ("**Franchise Agreement**") between _____ ("**Franchisee**") and Outdoor Lighting Perspectives Franchising, Inc. ("**Franchisor**"), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate an Outdoor Lighting Perspectives Franchise located at _____ ("**Franchise Business**").

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Telephone Numbers and Listings**") and (2) those certain Internet Website Addresses ("**URLs**") associated with Franchisor's trade and service marks and used from time to time in connection with the operation of the Franchise Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "**Telephone Company**") and/or Franchisee's internet service provider ("**ISP**") to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without extension of Franchisee's rights to operate the Franchise Business), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers, the Listings and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers, Listings and URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers, Listings and URLs, and Franchisee appoints Franchisor as Franchisee's true and lawful attorney-in-fact to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers, Listings and URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers, Listings and URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers, Listings, and URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such

documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

ASSIGNEE	**ASSIGNOR**
Outdoor Lighting Perspectives Franchising, Inc.	**Franchisee**
By: _____	By: _____
Its: Chief Executive Officer	Its: _____

ATTACHMENT E
TO FRANCHISE AGREEMENT

BY AND BETWEEN OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.
AND
_____ ("FRANCHISEE")

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

The undersigned depositor ("**Depositor**") hereby authorizes Outdoor Lighting Perspectives Franchising, Inc. ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") to debit such account pursuant to Company's instructions.

_____	_____
Company Name	Bank Name
_____	_____
Company Address	City, State, Zip Code
_____	_____
Bank Transit/ABA Number	Account Number

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

_____	_____
Depositor - FRANCHISEE	**Depository – FRANCHISOR - OLPFI**
By: _____	By: _____
Title:	Title: Chief Executive Officer
Date: _____	Date: _____

ATTACHMENT F
TO FRANCHISE AGREEMENT

SAMPLE
ACKNOWLEDGMENT OF TERMINATION AND RELEASE AGREEMENT

This Acknowledgment of Termination and Release Agreement ("**Agreement**") is entered into this _____ day of _____, 20__, between Outdoor Lighting Perspectives Franchising, Inc. ("**Franchisor**") and _____ ("**Franchisee**"). Franchisee and Franchisor will collectively be referred to herein as the "**Parties**."

RECITALS

WHEREAS, Franchisor and Franchisee entered into that certain franchise agreement ("**Franchise Agreement**") dated _____, 20__, in which Franchisor granted Franchisee the right to operate an Outdoor Lighting Perspectives Business in the authorized territory ("**Authorized Territory**") described in **Attachment A** of the Franchise Agreement; and

WHEREAS, on _____ 20__, Franchisee's rights under the terms of the Franchise Agreement were terminated ("**Termination**") as a result of

WHEREAS, the Parties desire to enter into this Agreement for the purpose of acknowledging the Termination; acknowledging Franchisor's retention of all rights and remedies under the Franchise Agreement including, but not limited to, Franchisor's right to retain all Franchise Fees, Royalties, National Branding and Marketing Fees, training fees, and any and all other fees paid to Franchisor, and right to audit Franchisee's books and records; and fully and finally resolving all legal and equitable claims, known or unknown, of Franchisee existing against Franchisor that were or could have been asserted by Franchisee in any action.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto hereby covenant, promise and agree as follows:

AGREEMENT

1. Acknowledgment of Termination. Franchisee acknowledges and agrees that all of its rights under the Franchise Agreement and any other agreement between Franchisor and Franchisee (collectively, the "**Franchise Documents**"), were fully and finally terminated on _____ 20__. Franchisee agrees to abide by all provisions which expressly survive the Termination of the Franchise Documents, as more fully set forth in the Franchise Documents.

2. Release by Franchisee. As of the date of this Agreement, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and Affiliates (as hereinafter defined) (collectively, the "**Franchisee Releasing Parties**"), Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the "**Franchisor Released Parties**"), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with the Outdoor Lighting Perspectives Business or the Franchise Documents or any other contractual relation between Franchisee and Franchisor and/or any Affiliate of Franchisor, which Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. The Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in

equity, or otherwise assert any claim against any or all of Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. Franchisor Released Parties are not releasing any claim which they may have against Franchisee Releasing Parties or any rights or remedies Franchisor Released Parties may have under the Franchise Documents or the Non-Disclosure and Non-Competition Agreement (including, but not limited to, the right to retain all Franchise Fees, Royalties, National Branding and Marketing Fees, training fees, and any and all other sums paid to Franchisor or its Affiliates by Franchisee or its Affiliates and any audit rights), under law or equity, or under any other contractual relationship between Franchisee and Franchisor and/or any Affiliate of Franchisor.

3. Release by Franchisor. As of the date of this Agreement, Franchisor, its successors, assigns, agents, representatives, officers and directors ("**Franchisor Releasing Parties**"), hereby fully and forever unconditionally release and discharge Franchisee and its successors, assigns, agents, representatives, officers, directors and shareholders (collectively referred to as "**Franchisee Released Parties**") for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with, as a result of, or in any way arising from or related to the Franchise Agreement or the franchise relationship created thereby, which Franchisor Releasing Parties may have had or may now have directly or indirectly against any or all of Franchisee Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the Effective Date. Franchisor's release shall not apply to any monies owed to Franchisor or its Affiliates or Franchisee's obligations to comply with any provisions which expressly survive the termination of the Franchise Agreement, which obligations and covenants continue in full force and affect or to any other rights, obligations, and covenants contained in any other agreement between Franchisor and Franchisee. Except as set forth in the previous sentence, Franchisor Releasing Parties further covenant and agree never to institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of Franchisee Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the Effective Date.

4. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

5. Full Release. Except as is set forth in this Agreement, the Parties intend that this Agreement shall be effective as a full and final accord and satisfaction and release as to Franchisor Released Parties and shall extend to all matters, claims, demands, actions or causes of action of any kind or nature whatsoever which Franchisee Releasing Parties may have against Franchisor Released Parties. The Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of this Agreement but that, notwithstanding the foregoing, it is their intention hereby to fully, finally, completely and forever settle and release Franchisor Released Parties and that the release given herein shall be and remain irrevocably in effect as a full and complete general release notwithstanding the existence of any such additional or different facts.

6. No Coercion. The Parties acknowledge that they are freely and voluntarily entering into this Agreement, uncoerced by any person, and that they have been advised and afforded the opportunity to seek the advice of legal counsel of their choice with regard to this Agreement.

7. Notices. Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or

telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

9. Amendments. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto.

10. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

11. Jurisdiction. The Parties agree that any disputes relating to the enforcement of this Agreement will be governed by the dispute resolution provisions set out in the Franchise Agreement.

12. Fees and Costs. In any action to enforce, interpret or seek damages for violation of this Agreement, Franchisor shall recover all attorney's fees and litigation expenses.

13. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

14. Authorization. Each Party warrants that each individual executing this Agreement on behalf of the respective Parties is fully authorized to do so by each of the respective Parties and each individual executing this Agreement warrants that he or she is acting within the scope of his or her employment and authority in executing this Agreement.

15. Counterparts and Telecopies. This Agreement may be executed in counterparts or by copies transmitted by telecopier, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

16. Entirety. This Agreement contains the entire agreement between the Parties related to the subject matter hereof, and in entering into this Agreement, each Party represents that he, she, or it is doing so voluntarily and of his, her or its own free will, and have executed this Agreement below acknowledging that each Party has completely read and fully understands the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:	**FRANCHISEE:**
OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.. a North Carolina corporation	_____
By:_____	By: _____
Its: Chief Executive Officer	Its: _____

ATTACHMENT G
TO FRANCHISE AGREEMENT

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.
SUCCESSOR ADDENDUM TO SUCCESSOR FRANCHISE AGREEMENT

This Successor Addendum ("**Successor Addendum**") to the Successor Franchise Agreement is made and entered into this _____ day of _____, 20_____, by and between Outdoor Lighting Perspectives Franchising, Inc. ("**Franchisor**") and _____ ("**Franchisee**").

BACKGROUND

1. Franchisor and Franchisee entered into a Franchise Agreement dated _____, 20__ ("**Franchise Agreement**") pursuant to which Franchisee operates an Outdoor Lighting Business in _____. ("**Franchised Business**").

2. The Franchise Agreement will expire by its own terms on _____, 20_____.

3. Franchisor and Franchisee intend to enter into a successor franchise agreement ("**Successor Franchise Agreement**") and desire to amend its terms by incorporating the terms of this Successor Addendum into the Successor Franchise Agreement.

AGREEMENT

1. **TERMS**. All references to the term "Initial Term" are deleted and replaced with the term "Successor Term," and all references to the term "Initial Franchise Fee" are deleted and replaced with the term "Successor Franchise Fee."

2. **SUCCESSOR TERM**. **Section 3.1** is amended to delete the third sentence and replace it with the following:

> "When the Successor Term and any Interim Period expires Franchisee does not have the right to renew Franchisee's rights to operate the Outdoor Lighting Business. Franchisor, in its sole and absolute discretion, may allow Franchisee to renew its rights to operate the Outdoor Lighting Business for one (1) additional term equal to the length of Franchisor's current initial term as described in its then-current Outdoor Lighting Perspectives® franchise agreement, provided that Franchisee meets all of Franchisor's then-current conditions to renew, including the following requirements."

3. **SUCCESSOR FRANCHISE FEE. Section 3.1(f)** is deleted in its entirety and replaced with "Franchisee pays Franchisor the successor franchise fee equal to ten percent (10%) of the then current initial franchise fee, which is due and payable to Franchisor at the time of signing the Successor Franchise Agreement."

4. **MINIMUM ANNUAL SALES QUOTA**. **Section 4.4** is deleted in its entirety and replaced with the following:

"In order to maintain the Territory, Franchisee must generate at least $200,000 in Gross Revenues during each calendar year ("Minimum Annual Sales Quota"). Franchisee's failure to satisfy the Minimum Annual Sales Quota may result in the reduction or elimination of Franchisee's Territory or the termination of this Agreement, in Franchisor's sole discretion."

5. **FRANCHISE FEE AND ROYALTIES**. **Section 5** is amended as follows:

A. **Sections 5.2** is deleted in its entirety.

B. **Section 5.3(a)** is amended by deleting the first sentence in its entirety and deleting the phrase "Commencing with the seventh (7th) month of operation," from the second sentence.

C. The second sentence in **Section 5.3(b)** is deleted in its entirety and replaced with the following:

"The Minimum Royalty Fee payments commence upon the date of this Agreement, and continue for the Successor Term of this Agreement and any Interim Period."

D. **Section 5.5** is deleted in its entirety.

6. **GUIDANCE, COACHING AND ASSISTANCE**. **Sections 7.3(d), 7.3(g)** and **7.5** are deleted in their entirety.

7. **FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS**. **Section 8.2(b)** is deleted in its entirety.

8. **ADVERTISING AND PROMOTION**. **Section 11** is amended as follows:

Section 11.2 is deleted in its entirety.

9. **RELEASE OF CLAIMS**. As of the date of this Successor Addendum, in consideration for Franchisor entering into the Successor Franchise Agreement, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and affiliates (collectively, the "**Franchisee Releasing Parties**"), Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the "**Franchisor Released Parties**"), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with Franchisee's Franchised Business or the Franchise Agreement or any other contractual relation between Franchisee and Franchisor and/or any Franchisor Released Parties, which Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive

relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof.

10. **ADDENDUM BINDING**. This Successor Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

11. **NO FURTHER CHANGES**. Except as specifically provided in this Successor Addendum, all of the terms, conditions and provisions of the Successor Franchise Agreement will remain in full force and effect as originally written and signed.

IN WITNESS WHEREOF, we and you have duly executed this Successor Addendum as of the date first above written.

FRANCHISEE:	**FRANCHISOR:**
_____	**OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.**
_____	_____
By: _____	By: _____
Its: _____	Its: Chief Executive Officer

ATTACHMENT H
TO FRANCHISE AGREEMENT

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.
MICRO MARKET FRANCHISE
ADDENDUM TO FRANCHISE AGREEMENT

This Micro Market Franchise Addendum ("**Addendum**") to the Franchise Agreement is made and entered into this _____ day of _____, 20____, by and between Outdoor Lighting Perspectives Franchising, Inc. ("**Franchisor**") and _____ ("**Franchisee**").

BACKGROUND

1. Franchisor and Franchisee entered into a Franchise Agreement dated _____, 20____ ("**Franchise Agreement**") pursuant to which Franchisee is licensed to operate an Outdoor Lighting Business in _____. ("**Franchised Business**").

2. Franchisee desires to acquire the rights to operate a micro market franchise ("**Micro Market Franchise**") and Franchisor desires to award Franchisee a Micro Market Franchise.

3. Franchisor and Franchisee desire to amend the terms of the Franchise Agreement by incorporating the terms of this Addendum into the Franchise Agreement.

AGREEMENT

1. **TERM OF THE AGREEMENT AND LICENSE**. **Section 3.1(e)** is deleted in its entirety and replaced with the following:

(e) "Franchisee executes a successor franchise agreement ("**Successor Franchise Agreement**") and all other agreements in the form then being used by Franchisor in granting new franchises, which may contain materially different terms and conditions than this Agreement, provided that the Successor Franchise Agreement will be modified to reflect certain provisions not applicable in a Successor Franchise Agreement, in substantially the same form as the Successor Addendum for Addendum attached hereto as **Attachment I**."

2. **MINIMUM ANNUAL SALES QUOTA**. **Section 4.4** is deleted in its entirety and replaced with the following:

"In order to maintain the Territory, Franchisee must make the Minimum Annual Sales Quota during each full calendar year following the date of this Agreement. The Minimum Annual Sales Quota is as follows:

Year	Yearly Minimum Gross Revenues
First Year	No Minimum Annual Sales Quota
Second Year	$75,000
Third Year through the Balance of the Initial Term and any Interim Period	$100,000

Franchisee's failure to satisfy the Minimum Annual Sales Quota may result in the termination of this Agreement, in Franchisor's sole discretion."

In addition, Franchisee's failure to satisfy the Minimum Annual Sales Quota may result in the reduction or elimination of Franchisee's Territory or the termination of this Agreement, in Franchisor's sole discretion."

3. **MINIMUM ROYALTY FEE**. **Section 5.3(b)** is amended to provide that the Minimum Royalty Fee is $700.

4. **SERVICES AND ASSISTANCE**. **Section 7.3(b)** is deleted in its entirety.

5. **ADVERTISING AND PROMOTION**. **Section 11** is amended as follows:

A. **Section 11.2** is deleted in its entirety and replaced with the following:

"For each 12 month period, commencing on the first day that the Business is operating and continuing throughout the Initial Term and any Interim Period, Franchisee will invest a minimum of $25,000 for each such 12 month period on promotional advertising ("Individual Advertising Investment").

B. **Section 11.3** is deleted in its entirety.

6. **ASSIGNMENT**. **Section 15.7(c)** is deleted in its entirety and replaced with the following:

"Franchisee's paying to Franchisor a transfer fee ("**Transfer Fee**") in the amount of $5,000 U.S.;"

7. **ADDENDUM BINDING**. This Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

8. **NO FURTHER CHANGES**. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed.

IN WITNESS WHEREOF, we and you have duly executed this Addendum as of the date first above written.

FRANCHISEE:

_____

_____

By: _____
Its: _____

FRANCHISOR:

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

_____

By: _____
Its: Chief Executive Officer

ATTACHMENT I
TO FRANCHISE AGREEMENT

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.
SUCCESSOR ADDENDUM FOR MICRO MARKET FRANCHISE

This Successor Addendum ("**Successor Addendum"**) to the Franchise Agreement for a Micro Market Franchise is made and entered into this _____ day of _____, 20_____, by and between Outdoor Lighting Perspectives Franchising, Inc. ("**Franchisor**") and _____ ("**Franchisee**").

BACKGROUND

1. Franchisor and Franchisee entered into a Franchise Agreement and an Addendum dated _____, 20__ (collectively the "**Franchise Agreement**") pursuant to which Franchisee is licensed to operate an Outdoor Lighting Business in _____. ("**Franchised Business**") as a micro market franchise ("**Micro Market Franchise**").

2. The Franchise Agreement will expire by its own terms on _____, 20_____.

3. Franchisor and Franchisee intend to enter into a successor franchise agreement ("**Successor Franchise Agreement**") and desire to amend its terms by incorporating the terms of this Successor Addendum for a Micro Market Franchise into the Successor Franchise Agreement.

AGREEMENT

1. **TERMS**. All references to the term "Initial Term" are deleted and replaced with the term "Successor Term," and all references to the term "Initial Franchise Fee" are deleted and replaced with the term "Successor Franchise Fee."

2. **SUCCESSOR TERM**. **Section 3.1** is amended to delete the third sentence and replace it with the following:

> "When the Successor Term and any Interim Period expires Franchisee does not have the right to renew Franchisee's rights to operate the Outdoor Lighting Business. Franchisor, in its sole and absolute discretion, may allow Franchisee to renew its rights to operate the Outdoor Lighting Business for one (1) additional term equal to the length of Franchisor's current initial term as described in its then-current Outdoor Lighting Perspectives® franchise agreement, provided that Franchisee meets all of Franchisor's then-current conditions to renew, including the following requirements."

3. **MINIMUM ANNUAL SALES QUOTA**. **Section 4.4** is deleted in its entirety and replaced with the following:

> "In order to maintain the Territory, Franchisee must generate at least $100,000 in Gross Revenue during each calendar year (the "Minimum Annual Sales Quota"). Franchisee's failure to satisfy the Minimum Annual Sales Quota may result in the termination of this Agreement, in Franchisor's sole discretion." In addition, if Franchisee has a Protected Territory, Franchisee's failure to satisfy the Minimum Annual Sales Quota may result in the reduction or elimination of Franchisee's Territory or the termination of this Agreement, in Franchisor's sole discretion."

4. **FRANCHISE FEE AND ROYALTIES**. **Section 5** is amended as follows:

A. **Sections 5.2** is deleted in its entirety.

B. **Section 5.3(a)** is amended by deleting the first sentence in its entirety and deleting the phrase "Commencing with the seventh (7th) month of operation," from the second sentence.

C. The first two sentences in **Section 5.3(b)** are deleted in its entirety and replaced with the following:

> "The Minimum Royalty Fee due to Franchisor per Territory is $700 ("**Minimum Royalty Fee**"). The Minimum Royalty Fee payments commence upon the date of this Agreement, and continue for the Successor Term of this Agreement and any Interim Period."

D. **Section 5.5** is deleted in its entirety.

6. **SERVICES AND ASSISTANCE**. **Sections 7.3(b), 7.3(d), 7.3(g) and 7.5** are deleted in their entirety.

7. **FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS**. **Section 8.2(b)** is deleted in its entirety.

8. **ADVERTISING AND PROMOTION**. **Section 11** is amended as follows:

A. **Section 11.2** is deleted in its entirety and replaced with the following:

> "For each 12 month period, commencing on the effective date of this Agreement throughout the Successor Term and any Interim Period, Franchisee will invest a minimum of $25,000 for each such 12 month period on promotional advertising ("**Individual Advertising Investment**").

B. **Section 11.3** is deleted in its entirety.

9. **ASSIGNMENT**. **Section 15.7(c)** is deleted in its entirety and replaced with the following:

> "Franchisee's paying to Franchisor a transfer fee ("**Transfer Fee**") in the amount of $5,000.;"

10. **RELEASE OF CLAIMS**. As of the date of this Successor Addendum for a Micro Market Franchise, in consideration for Franchisor entering into the Successor Franchise Agreement for the Micro Market Franchise, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and affiliates (collectively, the "**Franchisee Releasing Parties**"), Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the "**Franchisor Released Parties**"), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of

or in connection with Franchisee's Franchised Business or the Franchise Agreement or any other contractual relation between Franchisee and Franchisor and/or any Franchisor Released Parties, which Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof.

11. **ADDENDUM BINDING**. This Successor Addendum for a Micro Market Franchise will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

12. **NO FURTHER CHANGES**. Except as specifically provided in this Successor Addendum for a Micro Market Franchise, all of the terms, conditions and provisions of the Successor Franchise Agreement will remain in full force and effect as originally written and signed.

IN WITNESS WHEREOF, we and you have duly executed this Successor Addendum for a Micro Market Franchise as of the date first above written.

FRANCHISEE:	**FRANCHISOR:**
_____	**OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.**
_____	_____
By: _____	By: _____
Its: _____	Its: Chief Executive Officer

OUTDOOR LIGHTING PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT C

LIST OF FRANCHISEES AND FORMER FRANCHISEES

EXHIBIT C

LIST OF FRANCHISEES
as of December 31, 2017

Alabama:

OLP Birmingham
Marlin Bennetch
9028 Eagle Valley Lane
Birmingham, AL 35242
Birmingham@outdoorlights.com
205-991-5483

Arkansas

OLP Jonesboro
Lance Shackelford
3100 Barrington Cove
Little Rock, AR 72404
jonesboro@outdoorlights.com
870-273-8740

OLP Little Rock
Lance Shackelford
3100 Barrington Cove
Little Rock, AR 72404
jonesboro@outdoorlights.com
870-273-8740

Arizona:

OLP Phoenix
Rich Perry 1928 E. Highland Ave.
Suite F 104-507
Phoenix, AZ 85016
phoenix@outdoorlights.com
480-419-4008

Colorado:

OLP Denver
Mead & Cathy Noss
4301 South Federal Blvd, Ste 115
Englewood, Colorado 81110
Colorado@outdoorlights.com
303-948-9656

Delaware:

OLP Delaware Valley
Bob McCusker
217 Lyndhurst Avenue
Wilmington, Delaware 19803
302-588-7050

Florida:

OLP Jacksonville
Jim Gann
1961 Mipaula Court
Atlantic Beach, FL 32233
Jacksonville@outdoorlights.com
904-236-3464

OLP Clearwater
Robert van der Putten
3360 Lake Shore Lane
Clearwater, Florida 33761
olpclearwater@outdoolights.com
727-785-6000

OLP Tampa
Robert van der Putten
3360 Lake Shore Lane
Clearwater, Florida 33761
olpclearwater@outdoolights.com
727-785-6000

OLP Treasure Coast
Greg Jett
7962 SE Osprey Street
Hobe Sound, FL 33455
treasurecoast@outdoorlights.com
772-546-1313

OLP Naples
Kurt Shearer
300 Hawser Lane
Naples, Florida 34102
naples@outdoorlights.com
239-263-9975

Georgia:

OLP Atlanta NE
Chuck Rich
2890 GA Hwy 212 Suite A-104
Conyers, Georgia 30094
atlantane@outdoorlights.com
678-475-6410

OLP Atlanta NW
Chuck Rich
2890 GA Hwy 212 Suite A-104
Conyers, Georgia 30094
atlantane@outdoorlights.com
678-475-6410

OLP Augusta
Pat and Karen Otis
493 Walton's Ford Court
Grovetown, Georgia 30813
olp-ga-sc@outdoorlights.com
706-722-5711

Illinois:

OLP Chicago
Richard Norwood
Drew Denon
1312 Marquette Dr, Unit A
Romeoville, Illinois 60446
olpchicago@outdoorlights.com
800-799-8326

Kansas:

OLP Kansas City
John Bruce
9515 West 93rd Street
Shawnee, Missouri 66212
olpkansascity@outdoorlights.com
816-318-0303

Kentucky:

OLP of Central Kentucky
Tom Caywood
838 East High Street, #118
Lexington, KY 40502
centralkentucky@outdoorlights.com
859-967-4393

OLP Louisville
Brook Tafel
4050 Wesport Road Ste 211
Louisville, Kentucky 40207
olp-kentucky@outdoorlights.com
502-896-6400

Louisiana:

OLP New Orleans
Tim & Janice Charrier
4621 Janice Avenue
Kenner, LA 70065
olp-neworleans@outdoorlights.com
504-454-3336

Maryland:

OLP Baltimore
Tim O'Brien
1511 Sherbrook Road
Lutherville, MD 21093
Baltimore@outdoorlights.com
804-353-6999

Minnesota:

OLP Minneapolis
Tom Olson, Russ Jundt, and Jake Mathre
Andover, MN 55304
Minneapolis@outdoorlights.com
763-208-0555

OLP St. Paul
Tom Olson, Russ Jundt, and Jake Mathre
Andover, MN 55304
Minneapolis@outdoorlights.com
763-208-0555

Missouri:

OLP St. Louis
Jim Schwartz
700 Crown Industrial Court #M
Chesterfield, Missouri 63005
olpstl@outdoorlights.com
636-561-1818

New Jersey:

OLP Northern NJ 1 & 2
Larry Califano
79 Walter Ave
Eaton Town, NJ 07224
Northernj@outdoorlights.com
732-895-5128

New York:

OLP Westchester/Fairfield
Bob DiMartino
10 Bucyrus Avenue
Carmel, New York 10512
olp-hudsonvalley@outdoorlights.com
914-461-3307

OLP Long Island
Dennis & Amy Dowling
One Warner Court
Huntington, New York 11743
olpli@optonline.net
631-266-6200

OLP Rochester
Brent Conley
51 Edward Lane
Spencerport, New York 14559
Rochester@outdoorlights.com
585-349-7654

North Carolina:

OLP Raleigh
Dave Rohrer and Rian Conroy
4213 Nectarine Drive
Raleigh, NC 27616
olpraleigh@outdoorlights.com
919-854-5566

OLP Wilmington
William Koon
5679 Carolina Beach Rd.
Wilmington, NC 28412
Wilmington@outdoorlights.com
910-342-0040

Ohio:

OLP Northern Ohio
Tim Bickett
184 Willow Lane
Chagrin, OH 44022
northernnj@outdoorlights.com
440-785-3533

OLP Dayton
Jim & Vicki Hilliard
2616 Woodbluff Lane
Dayton, OH 45458
olpohio@outdoorlights.com
937-885-7587

OLP Columbus
JK Smith
6884 Meadow Glen Drive
Westerville, OH 43082
olpcolumbus@outdoorlights.com
614-794-1121

Oklahoma:

OLP Oklahoma City
Jim McCann
1301 Kenilworth Road
Oklahoma City, OK 73120
405-650-3587
oklahomacity@outdoorlights.com

Pennsylvania:

OLP Pittsburgh
David & Amy Perlmutter
1408 Parkway View Dr.
Pittsburgh, PA 15205
OLP-Pittsburgh@OutdoorLights.com
412-787-5439

OLP Lancaster/Westchester
Bob McCusker
217 Lyndhurst Avenue
Wilmington, Delaware 19803

South Carolina:

OLP Charleston/Myrtle Beach
Kenny Kaufman
5125 Bush River Road, Suite A
Columbia, SC 29212
columbiasc@outdoorlights.com
803-935-4611

OLP Columbia
Kenny Kaufman
5125 Bush River Road, Suite A
Columbia, SC 29212
columbiasc@outdoorlights.com
803-935-4611

OLP Greenville
Keith Drew
111 Smith Hines Road, Suite I
Greenville, SC 29607
OLPGreenville@outdoorlights.com
864-292-0022

Tennessee:

OLP Chattanooga
Joseph Bozich
292 Horse Creek Drive
Chattanooga, TN 37405
chatanooga@outdoorlights.com
423-802-8696

OLP Memphis
John Bowers
860 Oakwood Lane
Collierville, Tennessee 38017
olp-memphis@outdoorlights.com
901-854-7111

OLP Nashville
Bob Lyons, Jr.
429 Houston Street
Nashville, TN 37203
olpnashville@outdoorlights.com
615-373-0638

Texas:

OLP Austin
Richard Johnson
120 Rocket Street
Lakeway, TX 78734
olpaustin@outdoorlights.com
512-422-6002

OLP North Dallas-Fort Worth
Christopher & Julie Ritchie
2520 Branch Oaks Lane
Flower Mound, TX 75028
northdfw@outdoorlights.com
817-313-5106

OLP North Dallas
Roser Bermejo
Nelson Olavarrieta
3864 Siena Drive
Frisco, TX 75033
214-415-7048
ndallas@outdoorlights.com

OLP North Houston
James & Michelle Driscoll
5730 Capella Park Drive
Spring, TX 77379
Northouston@outdoorlights.com
281-880-6500

OLP San Antonio North
Scott Bellamy
8630 Spartan Tr
Universal City, TX 78148
210-771-6080

Virginia:

OLP Northern Virginia
Stevan Millar
2204 South Quincy Street
Arlington VA 22204
703-361-0505
northernva@outdodorlights.com

OLP Virginia Beach
4028 Tanglewood Tr
Chesapeake, VA 23325
Virginiabeach@outdoorlights.com
603-440-8785

OLP Richmond
Erin Zide
1706 Bedwyn Lane
Midlothian, VA 23112
richmond@outdoorlights.com
804-874 - 9985

OLP DC Metro
Conrad Jakubow
475 K St NW, Suite 909
Washington, DC 20001
dcmetro@outdoorlights.com
202-888-2718

Washington:

OLP Puget Sound
Dan Weinmeister
11228 161st Court NE
Redmond, WA 98052
Pugetsound@outdoorlights.com
425-417-4012

West Virginia:

OLP West Virginia
Dallas McNabb
44 Spruce Ridge
Hurricane, WV 25526
westvirginia@outdoorlights.com
304-548-5020

Kuwait:

OLP Kuwait
Marwa Al-Serri
Dahyat Abdullah al Salem Bloc
Kuwait
marwa@outdoorlights.com
011-965-2997887

Canada:

OLP Canada (Area Developer)
Pamela & Carrington Vanston
15 Romina Dr.
Concord, Ontario
L4K4Z9
905-760-0834

FRANCHISEES THAT HAVE LEFT THE SYSTEM:

The following is the name and last known address and telephone number of every Franchisee who has had an outlet terminated, cancelled, successful transferred in a sale, not renewed by the franchisor or franchisee, or otherwise voluntarily or involuntarily ceased to do business during 2017 or who has not communicated with us within 10 weeks of the date of this Disclosure document:

OLP Charlotte – Transferred to Franchisor
Ken Brantley
Matthews, North Carolina
704-849-8808

OLP Winston Salem - Termination
Paul Medeiros
Winston Salem, NC
336-708-4393

OLP North Dallas - Transfer
Santiago Casanova
Richardson, Texas
972-985-6485

OLP Saudi Arabia
Mohammad Saleh AlHindas
Alkhobar, Saudi Arabia
966-3 845 6798

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

OUTDOOR LIGHTING PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT D

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE

EXHIBIT D
LIST OF STATE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Business Oversight Department of Business Oversight	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677

OUTDOOR LIGHTING PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT E

STATE-SPECIFIC ADDENDA

EXHIBIT E

STATE-SPECIFIC ADDENDA TO
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Outdoor Lighting Perspectives Franchising, Inc. Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20_____.

The provisions of this State Law Addendum to Franchise Disclosure Document and Franchise Agreement ("State Addendum") apply only to those persons residing or operating Outdoor Lighting Business in the following states:

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

2. Neither Outdoor Lighting nor any person identified in ITEM 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Code 20000 through 20043 provides rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The Franchise Agreement requires binding arbitration. The arbitration will occur in Richmond, Virginia, with the costs being borne by both parties. This provision may not be enforceable under California law.

7. The Franchise Agreement requires application of the laws of Virginia. This provision may not be enforceable under California law.

8. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

9. The Franchise Agreement requires you to sign a general release if you renew or transfer your franchise. California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516). Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

10. The Franchise Agreement requires binding arbitration. The arbitration will occur in Richmond, Virginia, with the costs being borne equally by both parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.4 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

11. Item 19 of the Franchise Disclosure Document is amended to include the following:

The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the offering circular, may be one source of this information

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ACKNOWLEDGMENT

It is agreed that the applicable foregoing State Specific Addenda, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____ 20_____, and of the Franchise Disclosure Document.

DATED this _____ day of _____ 20_____.

FRANCHISOR:	**FRANCHISEE:**
OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.	_____
By:_____	By:_____
Title:_____	Title:_____

OUTDOOR LIGHTING PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT F

OPERATIONS MANUAL TABLE OF CONTENTS

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OUTDOORLIGHTING
PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT G

STATEMENT OF FRANCHISEE

EXHIBIT G

STATEMENT OF FRANCHISEE

[Note: Dates and Answers Must be Completed in the Prospective Franchisee's Own Handwriting]

In order to make sure that no misunderstanding exists between you, the Franchisee, and us, Outdoor Lighting Perspectives Franchising, Inc., (also called "Outdoor Lighting Perspectives," the "Franchisor" or "we") and to make sure that no violations of law might have occurred, and understanding that we are relying on the statements you make in this document, you assure us as follows:

A. The following dates are true and correct:

	Date	Initials	
1.	_____, 20____	_____	The date on which I received a Franchise Disclosure Document regarding the Outdoor Lighting Business.
2.	_____, 20____	_____	The date of my first face-to-face meeting with Marketing Representative to discuss a possible purchase of an Outdoor Lighting Business.
3.	_____, 20____	_____	The date on which I received a completed copy (other than signatures) of the Franchise Agreement which I later signed.
4.	_____, 20____	_____	The date on which I signed the Franchise Agreement.
5.	_____, 20____	_____	The earliest date on which I delivered cash, check or other consideration to the Marketing Representative or an officer of Outdoor Lighting Perspectives.

B. Representations.

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side agreements," options, right-of-first-refusal or otherwise have been made to or with me with respect to any matter (including but not limited to advertising, marketing, site location, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise), nor have I relied in any way on same, except as expressly set forth in the Franchise Agreement or an attached written addendum signed by Outdoor Lighting Perspectives and me, except as follows:

_____

_____

(If none, you should write NONE in your own handwriting and initial.)

2. No oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise which expanded upon or were inconsistent with the Franchise Disclosure Document or the Franchise Agreement or any attached written addendum signed by

me and an officer of Outdoor Lighting Perspectives, were made to me by any person or entity, nor have I relied in any way on same, except as follows:

_____

_____

(If none, you should write NONE in your own handwriting and initial.)

3. Except as expressly set forth in Item 19 of the Franchise Disclosure Document, no oral, written, visual or other claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise,) which stated or suggested a specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) from the Outdoor Lighting Business was made to me by any person or entity, nor have I relied in any way on same, except as follows:

_____

_____

(If none, you should write NONE in your own handwriting and initial.)

4. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including but not limited to my obtaining financing, or my fully performing any of my obligations), nor have I relied in any way on same, except as expressly set forth in the Franchise Agreement or any attached written addendum signed by Outdoor Lighting Perspectives and me:

_____

_____

(If none, you should write NONE in your own handwriting and initial.)

5. The individuals signing for me constitute all of the executive officers, partners, shareholders, investors and/or principals. Each of such individuals has reviewed the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each attached written addendum and any personal guaranties.

6. I have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and Outdoor Lighting Perspectives has strongly recommended that I obtain such independent advice. I have also been strongly advised by Outdoor Lighting Perspectives to discuss my proposed purchase of Outdoor Lighting Business with any existing Outdoor Lighting Perspectives franchisees prior to signing any binding documents or paying any sums and Outdoor Lighting Perspectives has supplied me with a list of all existing franchisees if any exist.

7. I understand that a) entry into any business venture necessarily involves some unavoidable risk or loss or failure; b) while the purchase of a franchise may improve the chances for success, the purchase of an Outdoor Lighting Business or any other franchise is a speculative investment; c) investment beyond that outlined in the Franchise Disclosure Document may be required to succeed; d) there exists no guaranty against possible loss or failure in this or any other business; and e) the most important factors in the success of any Outdoor Lighting Business, including the one to be operated by me, are my personal business skills, which include marketing, sales, and management, and require sound judgment and extremely hard work.

If there are any matters inconsistent with the statements in this document or if anyone has suggested that you sign this document without all of its statements being true, correct and complete, immediately inform Outdoor Lighting Perspectives (Phone: 804-853-6999) and our president.

You understand and agree that we do not furnish, or authorize our salespersons, brokers or others to furnish any oral or written information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or information from which such items might be ascertained), from franchise or non-franchised units, that no such results can be assured or estimated, and that actual results will vary from unit to unit.

You understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

PROSPECTIVE FRANCHISEE:

_____

Date:_____

MARKETING REPRESENTATIVE:

_____

Date:_____

REVIEWED BY FRANCHISOR:

By:_____
Its: Chief Executive Officer

Date:_____

OUTDOOR LIGHTING PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT H

PROMISSORY NOTE

EXHIBIT H

PROMISSORY NOTE

$_____ Date: _____

FOR VALUE RECEIVED, the undersigned maker ("Maker") of this Note promises to pay to the order of Outdoor Lighting Perspectives Franchising, Inc. at 2924 Emerywood Parkway, Suite 101, Richmond, VA 23294 ("Holder") the principal sum of _____ Dollars ($_____) in the currency of the United States of America together with interest from the date of this Note at the rate of _____ percent (_____%) per annum.

1. On the _____ day of _____, 20_____, and on the _____ day of each and every month thereafter, the sum of $_____ will be due and payable in full.

2. On the ____ day of _____, 20_____, the then entire outstanding principal and interest balances owing under this Note, if not sooner paid, will be due and payable in full.

3. Any payment is late if not received by Holder within 10 days after it is due. If a payment is late, Holder may, in its sole discretion elect to:

A. Declare the entire unpaid principal and interest balances immediately due and payable; or

B. Accept the late payment along with a late charge in the amount of 10% of the amount of the late payment. The late charge will be for the purpose of compensating holder for additional expenses which it is recognized that Holder will incur as a result of the late payment.

4. All payments, as of the date they are received, will first be credited to any late charges due; the balance, if any, will then be credited to the outstanding interest balance; and the balance, if any, will then be credited to the outstanding principal balance.

5. In the event Holder elects under 3A above to demand payment in full of the entire unpaid balance, Holder will first provide Maker with written notice of its election, demanding payment in full within 10 days. In the event a default exists after the 10 day notice period has expired, Maker promises and agrees:

A. That the entire outstanding principal and interest balances, including late charges, will bear interest from the original due date of the delinquent payment at the rate of 18% (default rate) per year (or if this rate exceeds the maximum permitted by law, then the interest rate will be the highest rate permitted by law); and

B. to pay Holder's actual attorneys' fees and costs incurred in collection efforts as a result of the default, but that amount will not exceed 15% of the then total unpaid balance owing.

6. In the event a default exists after the 10 day notice period as provided above in paragraph 5, Holder may in addition elect to terminate and cancel the Franchise Agreement between Holder and Maker described in paragraph 7 below in accordance with the provisions of that Agreement.

7. This Note constitutes part performance of a certain written Franchise Agreement between Maker and Holder dated the _____ day of _____, 20_____, and as such, will be read and

interpreted in a manner consistent with the terms of said agreement. Default under the terms of this Note will be sufficient grounds for termination or cancellation of that Franchise Agreement in accordance with the terms of the Franchise Agreement.

8. The maker and endorsers of this Note waive and excuse presentment for acceptance and payment, notice of dishonor, and protest of dishonor, and agree to any extension of time of payment and partial payments before, at or after maturity.

9. In the event of any sale, transfer assignment, encumbrance or other conveyance of the rights, duties or obligations of maker under the terms of the Franchise Agreement between Maker and Holder, the entire unpaid principal and interest balances of this Note as of the date of such sale, transfer, assignment, encumbrance or other conveyance will immediately become due and payable in full without any further notice or demand.

_____ _____

Witness Maker

_____

Maker

Names of Maker(s): _____

Address of Maker(s): _____

Telephone Number(s) of Maker: _____

OUTDOOR LIGHTING PERSPECTIVES®

OUTDOOR LIGHTING PERSPECTIVES FRANCHISING, INC.

EXHIBIT I

RECEIPT

RECEIPT
(Retain This Copy)

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 Outdoor Lighting Perspectives Franchising, Inc. ("Outdoor Lighting") 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, Outdoor Lighting or an affiliate in connection with the proposed franchise sale. Iowa, and New York require that Outdoor Lighting gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Outdoor Lighting gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Outdoor Lighting does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit D.

The franchisor is Outdoor Lighting Perspectives Franchising, Inc. located at 2924 Emerywood Parkway, Suite 101, Richmond, Virginia 23294. Its telephone number is (804) 353-6999.

Issuance Date: April 11, ~~2018~~2018, as amended January 16, 2019

Outdoor Lighting's franchise sellers involved in offering and selling the franchise to you are Amanda Berdeen, Jane Campbell, Chris Grandpre, Kristen Landon, Tom McCombs, London McKnight, Marcia Mead, Jim Morris, Bob Pogue, Carolina Rudge, Corey Schroeder, Lawrence Spada, Jody Wetherill, Richard Young, Erin Zide and Scott Zide, 2924 Emerywood Parkway, Suite 101, Richmond, Virginia, (804) 353-6999, or is listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement:

_____

_____

Outdoor Lighting authorizes the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document dated April 11, ~~2018~~2018, as amended January 16, 2019 that included the following Exhibits:

Exhibit A:	Financial Statements	Exhibit F:	Operations Manual Table of Contents
Exhibit B:	Franchise Agreement		
Exhibit C:	List of Franchisees	Exhibit G:	Statement of Franchisee
Exhibit D:	List of State Administrators and Agents for Service	Exhibit H:	Promissory Note
		Exhibit I:	Receipt
Exhibit E:	State-Specific Addenda		

Date	Signature	Printed Name
Date	Signature	Printed Name

RECEIPT
(Our Copy)

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 Outdoor Lighting Perspectives Franchising, Inc. ("Outdoor Lighting") 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, Outdoor Lighting or an affiliate in connection with the proposed franchise sale. Iowa and New York require that Outdoor Lighting gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Outdoor Lighting gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to Outdoor Lighting Perspectives Franchising, Inc. at 2924 Emerywood Parkway, Suite 101, Richmond, VA 23294.

OUTDOOR LIGHTING COPY