FRANCHISE DISCLOSURE DOCUMENT

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC
a Texas limited liability company
5000 Overton Plaza, Suite 200
Fort Worth, Texas 76109
(817) 377-6360
www.gosouthernsolar.com
franchise@gosouthernsolar.com

The franchise described in this disclosure document is for a solar power business offering high quality solar panels and related solar power products and services for residential customers.

The total investment necessary to begin operation of a Southern Solar franchise ranges from $169,900 to $239,600. This includes $77,000 to $114,000 that must be paid to us or our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Shane Lynch at 5000 Overton Plaza, Suite 200, Fort Worth, Texas 76109 or (817) 377-6360.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

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

Issuance Date: November 28, 2022

How To Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.
Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.
Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.
Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.
Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.
Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.
When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.

Limitations on Disclosure Waivers/Disclaimers. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Short Operating History. The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Financial Condition. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Unregistered Trademark. The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

Spousal Liability. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

Supplier Control. You must purchase all or nearly all of the inventory and supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher

than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

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

NOTICE REQUIRED BY
THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

1. A prohibition on the right of a franchisee to join an association of franchisees.

2. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this Act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any claims.

3. A provision that permits a Franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure this failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure this failure.

4. A provision that permits a Franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the license.

5. A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

6. A provision requiring that mediation or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of mediation, to conduct mediation at a location outside this state.

7. A provision which permits a Franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a Franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

a. The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.

b. The fact that the proposed transferee is a competitor of the Franchisor.

c. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

d. The failure of the franchisee or proposed transferee to pay any sums owing to the Franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

9. A provision which permits the Franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 WILLIAMS BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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EXHIBITS

- **A. Franchise Agreement**
- **B. State Specific Addenda**
- **C. Table of Contents of Confidential Franchise Operations Manual**
- **D. List of State Administrators and Agents for Service of Process**
- **E. Financial Statements**
- **F. General Release**
- **G. List of Current Franchisees**
- **H. List of Former Franchisees Who Left in the Prior Fiscal Year**
- **I. Receipts**

ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Southern Solar Franchise Systems, LLC, referred to in this Disclosure Document as "we," "us" or "our." We refer to the person interested in buying a franchise as "you" or "your". If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners. These will be addressed in this Disclosure Document where appropriate.

The Franchisor, and Any Parents, Predecessors and Affiliates

We are a limited liability company formed in the State of Texas in July of 2022. Our principal business address is 5000 Overton Plaza, Suite 200, Fort Worth, Texas 76109. We do business under our legal name and the name "Southern Solar". Our registered agents for service of process are listed in Exhibit D to this Disclosure Document.

We sell franchises for the establishment and operation of solar power businesses offering high quality solar panels and related solar power products and services for residential customers (each a "Southern Solar Business"). The Southern Solar Businesses do business under the trade name and trademark "Southern Solar".

We do not own or operate any Southern Solar Businesses, but our affiliate, Southern Solar, LLC ("SSLLC"), a Texas limited liability company, was formed in 2018 and has operated a Southern Solar business in Texas since 2019. SSLLC maintains its principal business address at 8805 N. Tarrant Parkway, Suite 100, North Richland Hills, Texas 76182. In addition to operating the company-owned Southern Solar Business, SSLLC may serve as a source for certain products and/or services that you must use in the operation of your Southern Solar Business. SSLLC has never offered franchises in any line of business and does not conduct any business other than operating Southern Solar Businesses.

We first began offering franchises for Southern Solar Businesses in November 2022. We do not engage in any other business activities, and we have never offered franchises in any other lines of business.

We have another affiliate, Storm Guard Franchise Systems, LLC ("SGFS"), a Texas limited liability company, that has offered Storm Guard franchises in a different line of business (restoration services to repair damage to both residential and commercial properties) since 2011. SGFS, which shares our principal business address, currently has 38 franchised locations in operation.

We have no predecessors or parent entities, and except as described above none of our affiliates provide products or services to our franchisees or offer franchises in any line of business.

Southern Solar Franchise

We offer qualified applicants franchises for Southern Solar Businesses. The Franchise Agreement (Exhibit A to this Disclosure Document) gives you the right to establish and operate one Southern Solar Business at a specified location within a Protected Area. (See Item 12)

Southern Solar Businesses operate in compliance with the Southern Solar concept for solar power businesses offering high quality solar panels and related solar power products and services for residential customers (hereinafter referred to as the "Southern Solar Concept"). All, or substantially all, of your customers will finance the purchase of solar panels and related equipment when they place an order with you, and you and your customers must use only the lender or lenders designated by us for the provision of such

financing. The Southern Solar Concept uses our business operating system (the "System") and uses the mark "Southern Solar" and the other trade names, service marks, trademarks, logos, emblems and other indicia of origin that we designate in writing for use by Southern Solar Businesses operating under the System (collectively, the "Marks").

The System includes our methods and procedures for the establishment, management and operation of Southern Solar Businesses, including our confidential information, our manuals, software, and other business standards, specifications and policies. The distinguishing characteristics of the System include distinctive design and color scheme; unique services and techniques; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; software; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop or otherwise modify from time to time.

The Franchise Agreement requires you to designate a "Principal Owner." Your Principal Owner is the main individual responsible for your business. Your Principal Owner must meet our qualifications and must be approved by us. Your current and future Owners, including your Principal Owner, must sign a Guaranty and Assumption Agreement ("Guaranty"), personally guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including payment obligations, covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. (See Item 15)

Under our franchise agreement, we will grant you the right (and you will accept the obligation) to operate one Southern Solar Business. We may periodically make changes to the systems, services, products, standards, facility, signage, equipment and fixture requirements for your franchised business. All Southern Solar Businesses must be developed and operated in accordance with our specifications, standards, policies and procedures, which will be communicated to you via our confidential Operations Manual or otherwise in writing. Southern Solar Businesses must be operated from an office space meeting our standards and specifications, and you must have a garage or other parking/storage space for a vehicle(s) approved by us.

General Market and Competition

Southern Solar Businesses offer their services primarily to home owners living in single family dwellings. The market for solar power products and services is developing and highly competitive. These businesses generally compete on the basis of factors such as price, quality and variety of services and products, and speed of services to customers. You must expect to compete with businesses specializing in solar panel sales/installations as well as other businesses that offer solar panel products or services as one component of a larger business. You will compete against small local solar power companies as well as large regional or national organizations that operate through a network of dealers or distributors. Additionally, you may find that there is competition for employees and management personnel. Southern Solar Businesses may be subject to seasonality in some markets depending on weather conditions those markets.

Industry-Specific Regulations

You must comply with all local, state, and federal laws that apply to your operations, including health, sanitation, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for disabled people, and those requirements may affect your building renovations/construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must also obtain permits and operational licenses for your business and employees.

A number of states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Southern Solar Business, including those which (1) establish licensing and certification requirements for businesses in general, (2) set standards pertaining to employee health and safety, (3) set standards and requirements for electrical safety and general emergency preparedness, and (4) regulate the proper use, storage and disposal of hazardous materials. For example, the State of Texas (where our company-owned location operates) has requirements at the local and state level which mandate that Southern Solar Businesses employ, or enter into an independent contractor relationship with, at least one master electrician who oversees the installation and operation of electrical equipment installed on customers' homes. We anticipate that most, if not all, jurisdictions will require you to employ, or contract with, a master electrician who will oversee your electrical work. In addition, some jurisdictions may require you, or one of your employees, to be licensed as a general contractor.

You are solely responsible for investigating all license/permit requirements and similar legal obligations in your state.

You must comply with all payment card infrastructure ("PCI") industry and government security standards and requirements designed to protect cardholder data. PCI standards apply to both technical and operational aspects of credit card and other payment card transactions and apply to all organizations which store, process or transmit cardholder data.

We recommend that you consult with legal counsel or other professional advisors to help you investigate and understand these laws before you purchase a franchise. It is your sole responsibility to thoroughly investigate which regulations and/or licensing requirements are imposed by your state and local government authorities.

ITEM 2: BUSINESS EXPERIENCE

Chief Executive Officer: Glenn Lynch

Glenn Lynch has served as our Chief Executive Officer since our formation in July 2022. He has also served as Chief Executive Officer of our affiliate, SGFS, since August 2014. He also serves as Property Development and Construction Manager for Bobby Cox Companies, Inc. in Fort Worth, Texas, a position he has held since March 2012. Mr. Lynch offices in Fort Worth, Texas.

President: Shane Lynch

Shane Lynch has served as our President since our formation in July 2022. He has also served as President of our affiliate, SGFS, since January 2015. Mr. Lynch offices in Fort Worth, Texas.

Chief Financial Officer: Michael Whelan

Michael Whelan has served as our Chief Financial Officer since our formation in July 2022. Mr. Whelan has also served as the Chief Financial Officer of our affiliate, SGFS, since January 2020. Since June 2018, he has also served as the Chief Financial Officer of Bobby Cox Companies, Inc. in Fort Worth, Texas. From December 2009 to May 2018, Mike served as the Chief Financial Officer of Cooper Natural Resources, Inc., a holding company located in Fort Worth, Texas, with operating businesses in chemicals, oilfield products and services and consumer products. Mr. Whelan offices in Fort Worth, Texas.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

Initial Franchise Fee

Upon signing the Franchise Agreement, you must pay us an Initial Franchise Fee in an amount based on the number of detached single family homes located in your Protected Area, as follows:

(a) $65,000 for a Protected Area that includes between 160,000 and 220,000 detached single family homes;

(b) $75,000 for a Protected Area that includes between 220,001 and 280,000 detached single family homes;

(c) $85,000 for a Protected Area that includes between 280,001 and 340,000 detached single family homes; and

(d) $95,000 for a Protected Area that includes between 340,001 and 400,000 detached single family homes;

If you purchase two franchises simultaneously, we will discount the total amount of your initial franchise fees by twenty percent (20%).

This Initial Franchise Fee is payable in one lump sum payment, is considered fully earned and nonrefundable upon receipt, and is imposed uniformly on all franchisees.

Discounted Initial Franchise Fee for United States Military Veterans

If you are a retired or honorable discharged veteran of the United States military, you will receive a $10,000 discount on our initial franchise fee.

Opening Equipment Package

Prior to opening your Southern Solar Business, you must purchase an opening equipment package from us at a cost ranging from $12,000 to $19,000.

This Opening Equipment Package Fee is payable in one lump sum payment, is considered fully earned and nonrefundable upon receipt, and is imposed uniformly on all franchisees.

ITEM 6: OTHER FEES

Fees[(1)]	Amount	Due Date	Remarks
Royalty Fee	An amount equal to: (a) 5.5% of your Gross Sales for all sales up to $4,000,000 each calendar year; (b) 5% of your Gross Sales for all sales from to $4,000,001 to $8,000,000 each calendar year; (c) 4.5% of your Gross Sales for all sales from to $8,000,001 to $12,000,000 each calendar year; and (d) 4% of your Gross Sales for all sales from $12,000,001 and beyond each calendar year.	Payable each week (on Tuesday of each week) for the preceding weekly period beginning on Monday and ending on Sunday. We may revise the timing for royalty payments at our discretion upon reasonable notice to you.	See Note 2 for the definition of Gross Sales. We require you to pay the royalty fees and all other fees by electronic funds transfer (EFT). Royalties accrued each work week are debited from your account via electronic funds transfer on Tuesday of the following work week (our "work week" begins on Sunday and ends on Saturday). You will only qualify for a reduced royalty rate beginning in the week after you surpass the Gross Sales level at the high end of the prior sales bracket. For example, if you surpass the $4,000,000 Gross Sales threshold during a week ended on October 30th (and your annual Gross sales total is $4,023,967 at the end of such week), then you will pay us royalties equal to 5.5% for all amounts up to $4,023,967, and you will begin paying the reduced royalty rate of 5% on Gross Sales received during the week beginning October 31st. Royalty rates will reset to 5.5% of Gross Sales at the beginning of each calendar year.

Local Advertising and Cooperatives	$5,000 per month (at least half spent on telemarketing).	Payments for local advertising are due when billed by the local advertiser.	See Note 2 for the definition of Gross Sales. We have the right, but not the obligation, to designate any geographic area in which two or more company-owned or franchised Southern Solar Businesses are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). We may also modify or disband any Cooperative at our option. If we establish a Cooperative that includes your Southern Solar Business, you will be required to contribute periodic amounts determined by the Cooperative (at least $500 per month). Any amounts you contribute to your Cooperative will be applied to satisfy a portion of your local advertising requirements, and your required contributions to a Cooperative will not exceed your individual local advertising requirements. If we have company-owned Southern Solar Businesses that are located in your Cooperative territory, those company-owned Southern Solar Businesses will have voting powers like all other members of the Cooperative, but they will not have the power to increase your required Cooperative contributions without a majority vote of the Cooperative members. All or a portion of your contributions to a Cooperative may be used to establish and/or maintain a website(s) focused on promoting the Southern Solar Concept in and around your market area. We may designate that specific vendors be used by any Cooperative. We may increase the required local advertising amount on not less than 30 days' written notice to you.

Brand Development Fund	0.5% of your Gross Sales	Payable weekly at the same time, and in the same manner, as your royalty payments. We may revise the timing for these payments at our discretion upon reasonable notice to you.	See Note 2 for the definition of Gross Sales. The Brand Development Fund contributions are in addition to the local advertising requirement. We require you to pay the Brand Development Fund contributions by electronic funds transfer (EFT). Brand Development Fund amounts for each week are debited from your account via electronic funds transfer (EFT) on Tuesday of the following week.
Interest	The lesser of 18% per year or the maximum lawful rate	On demand	We will charge interest on all overdue amounts.
Late Fees	$100 for each late payment or for any required report that is late. For late reports, this fee accrues daily.	On demand	We may charge a late fee for any delinquent amounts due under the Franchise Agreement or for any reports that are submitted late, including failure to enter sales into the CRM system on a weekly basis.
Additional Training at Our Headquarters	At our option, fees of $500 per day for each trainer, plus our costs of providing the training.	When billed.	This additional training will be conducted at our headquarters or other location designated by us. See Item 11. You must also pay all expenses of your personnel related to attending training.

On-site Remedial Training	Our then-current daily fee for remedial training, plus reimbursement of all our trainer's related costs, including travel, lodging and meals. Our current rate is $500 per day for each trainer.	When billed.	If you ask or if we believe it is appropriate, we will (subject to availability) provide trained representatives to conduct on-site remedial training at your Southern Solar Business.
Transfer Fee	$20,000 per transfer (reduced to $10,000 if you transfer to an existing Southern Solar franchisee in good standing).	With transfer application.	You must pay us a transfer fee in connection with any transfer, except that if you are an individual transferring your rights and obligations under the Franchise Agreement to an entity owned solely by you in accordance with Section XV.C. of the franchise agreement, the transfer fee will be waived.
Renewal Fee	$5,000	Upon renewal of the Franchise Agreement	In order to renew your franchise agreement you must, among other things, pay us the renewal fee in a lump sum payment.
Grand Opening Advertising Fee	Currently no minimum required	When billed	We will coordinate with you to implement a grand opening marketing campaign approved by us, but we do not currently require you to spend any minimum amount on grand opening advertising.

Management Fees	If implemented, 10% of your Gross Sales, plus our related costs, including any travel, lodging, wages and meal expenses for our personnel engaged in operating your business.	If incurred, payable monthly on the first day of each month (for fees accrued during the prior month)	We have the right to step in and operate your Southern Solar Business in certain circumstances, including a default by you under the Franchise Agreement. If we do this, you must pay us our then-current management fees and reimburse our related expenses, including travel, lodging and meals for our representative(s).
Inspection and Testing	Cost of inspection, if applicable, and cost of testing. The costs for testing/inspection of a product will vary based on the testing required for the particular product, and we will provide an estimate of the costs to you before testing a product or inspecting any facilities.	When billed	Before approving a supplier, we may require you to pay the cost of testing the supplier's products and inspecting its facilities (including our administrative expenses).
Indemnification	Varies according to loss	On demand	You must indemnify us when your actions result in loss to us.
Audit Fee	Cost of audit	When billed	Payable if an examination or audit shows you have understated any amount owed to us by 2% or more.

Technology Fees	0.5% of your Gross Sales	Payable weekly at the same time, and in the same manner, as your royalty payments. We may revise the timing for these payments at our discretion upon reasonable notice to you.	Technology Fees will be payable for each franchise agreement you sign. These fees may be used for various technologies at our discretion, such as call center fees, e-mail addresses, CRM licenses, Microsoft office software, scheduling software, etc.
Relocation Fee	An amount equal to our expenses related to your relocation	On demand	This fee must be paid prior to any relocation of your Southern Solar Business, and any relocation must be approved by us in advance.
Insurance Fee	An amount equal to our actual expenses for the required coverages	On demand	If you fail to maintain the required insurance, we may (but need not) obtain it for you. If we do, we will charge you a fee equal to our actual expenses for obtaining and maintaining the required coverages.
Southern Solar Web App	Currently $0	On demand	We are currently developing a proprietary web app that will assist you with operating your Southern Solar Business, including analyzing and estimating solar panel needs for your customers. When the app is complete, you will be required to download it and use it on a daily basis. We do not intend to charge you for use of the app initially, but we may implement reasonable charges in the future upon written notice to you.
Telemarketing Leads Fees	Approximately $100 per lead	On demand	You must participate in our telemarketing programs, which we will coordinate in conjunction with our approved third party vendors. You will be required to pay approximately $100 per lead in your Protected Area that is generated through our telemarketing efforts. This fee may increase from time to time upon 30 days' written notice to you.
Telephone Service Fees	Approximately $83 per month	On Demand	We may, at our option, purchase the required opening telephone package and services and require you to reimburse us for the applicable costs. This fee is may increase from time to time upon 30 days' written notice to you.

Enforcement Costs	An amount equal to our actual costs	As incurred	You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the Franchise Agreement.
Annual Conference Fees	Up to $1,000 per person per conference	On demand	If we schedule an annual franchise conference, we will require you to attend and pay registration fees. If you do not attend, we will charge you registration fees for one person (i.e. up to $1,000) along with a $500 penalty. We may increase this fee from time to time upon 30 days' written notice to you.

Notes:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

(2) "Gross Sales" is the total selling price of all services and products and all income of every other kind and nature related to the Southern Solar Business, including any amounts received from customers, lenders providing financing to your customers, or other third parties, whether for cash or credit and regardless of collection in the case of credit, and also including any amounts paid by lenders directly to your material suppliers for materials to be used in your work (e.g. solar panels, etc.) regardless of whether those funds are ever in your possession. "Gross Sales" includes: (a) All proceeds from the sale of coupons, gift cards/certificates or vouchers; but when the coupons, gift cards/certificates or vouchers are redeemed, you are not required to count the retail value of the services provided upon redemption in determining Gross Sales for royalty purposes or for other fees calculated in respect of Gross Sales (If you do not record and report sales proceeds for royalty purposes when the coupon, gift card/certificate or voucher is sold, or if coupons, gift cards/certificates or vouchers are distributed free of charge, you will be required to pay royalties based on the retail value of the services provided in exchange for the coupon, gift card/certificate or voucher); and (b) your share of revenues from any vending machines or other equipment, machines or devices installed in the Southern Solar Business. "Gross Sales" does not include (i) sales taxes you collect from customers of the Southern Solar Business, if the taxes are actually transmitted in a timely manner to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of the Southern Solar Business or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; (iii) returns to shippers or manufacturers; (iv) amounts you receive from a third party lender to the extent that you must simultaneously pay offsetting financing fees to such lender (e.g. if a lender pays you $100,000 and simultaneously charges you a lump sum $25,000 financing fee, then your "Gross Sales" for royalty calculation purposes would be $75,000); and (v) proceeds from isolated sales of trade fixtures not constituting any part of the products and services offered for sale at the Southern Solar Business or having any material effect upon the ongoing operation of the Southern Solar Business.

ITEM 7: ESTIMATED INITIAL INVESTMENT

Table on following page

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount			Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	$65,000	to	$95,000	Lump Sum	Upon signing Franchise Agreement	Us
Rent Deposits[1 and 2]	$1,500	to	$3,000	Lump Sum	Before Opening	Landlord
Utility Deposits[1 and 2]	$300	to	$600	As Incurred	Before Opening	Utility Provider
Leasehold Improvements[1 and 2]	$0	to	$3,000	As Incurred	Before Opening	Landlord or Third Party Provider
Insurance Deposits[3]	$3,000	to	$5,000	As Incurred	Before Opening	Insurance Company
Travel and Living Expenses While in Training[4]	$3,000	to	$5,000	As Incurred	Before Opening	Airline, Hotel, Restaurants
Opening Package[5]	$12,000	to	$19,000	Lump Sum	Before Opening	Us
Vehicles[6]	$3,600	to	$4,500	As Incurred/Lump Sum	Before Opening	Manufacturer
Licenses, Certificates and Permits[7]	$0	to	$4,000	As Incurred	Before Opening	Licensing Authorities
Additional Signage, Equipment and Supplies[8]	$500	to	$1,500	As Incurred	Before Opening	Designated Suppliers
Furniture, Fixtures & Equipment[9]	$3,500	to	$8,000	As Incurred	Before Opening	Designated Suppliers
Professional Fees[10]	$2,500	to	$5,000	As Incurred	Before Opening	Attorneys, Accountants
Dues and Subscriptions[11]	$0	to	$1,000	As Incurred	Before Opening	Business and Construction or Contracting Associations
Additional Funds (3 months)[12]	$75,000	to	$85,000	As Incurred	Before Opening	Employees, Suppliers, Utility Providers, Landlord, Other Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	**$169,900**	**to**	**$239,600**			

Notes:

Note 1. These estimates are based on our affiliate's experience in establishing a Southern Solar Business in Texas. We anticipate that most franchised Southern Solar Businesses will be located in office buildings, and we anticipate that the premises for Southern Solar Businesses will be a leased space. These amounts assume that you will operate the business from a leased premises and do not include costs of land acquisition and construction of a building. The lease expense estimate and the leasehold improvements estimate are based on operating from a small office space containing approximately 500 to 1,500 square feet with no renovations. You may be required to pay security deposits to certain third parties, such as a telephone service provider and various equipment vendors and suppliers. These amounts will vary for each location and will be based in part on the premises, services and equipment you select.

Note 2. These estimates assume that you will make little or no leasehold improvements. We anticipate that you will operate your Southern Solar Business from a small leased office. In most cases, there will be no requirement to improve the space or spend any minimum amounts on architects or design plans. These costs are our best estimate based on office lease costs for three (3) months in the North Texas area. These estimates may vary substantially based on your ability to negotiate with your landlord and your financial strength, as well as on local leasing and labor rates and other local conditions.

Note 3. Before opening for business you must purchase (and at all times maintain) insurance coverages meeting our standards and specifications, as further described in Item 8 of this Disclosure Document.

Note 4. We provide initial franchise training to your Principal Owner and up to four of your starting employees (two sales people and two administrative employees) at no additional charge. Therefore, these estimated costs include only your out-of-pocket costs related to the training of these people. You must pay all expenses you or your employees incur in connection with attending the initial training program, like travel, lodging, meals and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities, mode and distance of transportation. (See Item 11) The figures in the chart represent the estimated cost for five individuals to attend our initial training program. We have the option, at our discretion, to charge a $500 per person tuition fee for the sixth and each subsequent attendee you send to our initial training program.

Note 5. The required Opening Package includes items and equipment that will be needed to begin your operations, including branded clothing/uniforms, paper products, vehicle wrap, banners and assorted marketing materials, IT set-up, etc.

Note 6. We require you to purchase or lease a Nissan NV200 van or equivalent vehicle acceptable to us. Such vehicle must be in good working condition, not more than 3 years old, and must meet all of our standards and specifications (including our appearance and reliability standards) for use in connection with your Southern Solar Business. We also require that you purchase a customized Southern Solar vehicle wrap for your vehicle. You must have at least one operating vehicle approved by us at all times, and additional vehicles will be required (on a case-by-case basis) as your business expands. The estimates above assume that you will lease an approved vehicle (or pay little or no down payment if you elect to purchase a vehicle), but if you purchase a vehicle and pay in full at the time of purchase then your initial vehicle expenses will significantly exceed the estimates above.

Note 7. You must obtain, at your sole cost, all applicable licenses and permits required by your state and local authorities before beginning operations.

Note 8. We estimate that this range will cover the cost of additional signage, supplies and inventory (beyond the items to be included in the Opening Package you will purchase from us) for approximately the first 90 days of operations.

Note 9. These estimates include the costs of purchasing various office furniture, fixtures and equipment, including a computer(s), tablet and printer meeting our standards and specifications as well as any related office equipment needed to operate your Southern Solar Business.

Note 10. We strongly recommend that you retain a franchise attorney to advise you on this franchise offering. You may also wish to retain an accountant to help you evaluate this franchise offering. If you choose to form an entity to own the franchise, you may incur additional fees that we cannot estimate.

Note 11. We encourage, but do not require, you to purchase a subscription/license for access to one or more business networking services to help you promote your Southern Solar Business.

Note 12. You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses, including accounting services (this estimate includes $2,500 per month for accounting services). For purposes of this Item 7, the start-up phase is defined as 3 months from the date you open for business. We do not imply or guarantee that you will "break even" at any particular time, if at all. These amounts do not include any estimates for debt service or any salary or draw for you. You must also pay the royalty and other related fees described in Item 6 of this Disclosure Document. Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on the experience of our affiliate's company-owned Southern Solar Business to compile these estimates. You should review these figures carefully with your business advisor.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control.

We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

To ensure a uniform image and uniform quality of services and products at the Southern Solar Businesses and in conjunction with the System, you must maintain, and comply with, our quality standards and specifications. You must operate and equip each of your Southern Solar Businesses in accordance with our then-current approved specifications and standards pertaining to equipment, supplies vehicles and trade dress, and you must purchase certain items from suppliers that we approve or designate (which may include us or our affiliates). In addition to meeting our specifications and standards, it is solely your responsibility to ensure that your Southern Solar Business complies with all local, state and federal laws, building code requirements, the Occupational Safety and Health Act and the Americans with Disabilities Act (ADA). We also require that all products and services used or sold in or at your Southern Solar Business meet our standards and specifications.

We currently require you to purchase certain products only from us, our affiliates or other third party designated suppliers. The products that you must purchase only from us or other designated suppliers include the following:

Required Purchases From Us or Our Affiliates

We reserve the right to designate specific suppliers for the products and services used and sold in your Southern Solar Business, and we or our affiliates are the sole source for the following products and services:

Southern Solar Web App

We are currently developing a proprietary web app that will assist you with operating your Southern Solar Business, including analyzing and estimating the solar panel needs of your customers. When the app is complete, you will be required to download it and use it on a daily basis. We do not intend to charge franchisees for use of the app initially, but we may implement reasonable charges in the future.

Initial Solar Panel Array Design Services

During your first 6 months of operation, we will be the required vendor for the initial design and layout of the solar panels arrays to be installed for each of your customers, but we will not charge for this service during those 6 months. After you have been in operation for at least 6 months, you may begin performing this service yourself or, at your option, pay us a reasonable fee (approximately $50 per design layout) to continue providing this service.

Roof Replacement and Repairs

If you have customers that need a roof replacement or repairs, you must use the nearest franchisee of our affiliate, SGFS, to perform such roof replacement or repairs unless there is no such franchisee close enough to serve your Protected Area or we otherwise waive this requirement in writing.

Required Purchases from Designated Suppliers

We require you to purchase certain items from third-party suppliers designated by us, and we reserve the right to change or add designated suppliers from time to time at our option upon written notice to you. As of the date of this Disclosure Document, we require you to purchase the following categories of items from specific designated third-party sources described below:

Solar Panels, Mounting Racks and Inverters

Consolidated Electrical Distributors (CED) dba Greentech Renewables, based in Irving, Texas, is the exclusive required vendor for all solar panels, mounting racks/equipment and inverters. In addition to using only approved solar panels that meet our standards and specifications (which may include only certain brands/models designated by us), you must purchase and use only the specific inverters designated by us as meeting our standards and specifications (which may include only certain brands/models designated by us).

Financing Services

All, or substantially all, of your customers will finance the purchase of solar panels and related equipment when they place an order with you, and you and your customers must use only the lender or lenders designated by us for the provision of such financing.

Telemarketing Services

You must use our designated telemarketing service vendor(s), which may change in our discretion from time to time. We will coordinate with these telemarketing vendors in an attempt to generate leads in your Protected Area, and you cannot use any other telemarketing services without our prior consent.

Accounting/Bookkeeping

You must use our designated accounting vendor, WeBook4You, based in North Bergen, New Jersey, for all of your bookkeeping services.

Telephone System

You must purchase and use our designated telephone equipment and systems, which are manufactured and provided by GoTo, based in Boston, Massachusetts. You must use GoTo's telephone systems/equipment as well as their ongoing telephone service.

Vehicle Wrap

You must purchased a Southern Solar wrap for the vehicle to be used in the operation of your Southern Solar Business, and such wrap must be purchased from SpeedPro, based in North Carolina; provided, however, that a local installer authorized to install the applicable brand of wrap will conduct the wrap installation.

Engineered Plans

Some jurisdictions require engineer stamped plans (electrical, structural, or both) before issuing permits allowing you to install solar panels on a home. In such case, you must purchase any such required engineer stamped plans from Illumine i, based in Austin, Texas.

Branded Items

All printed materials and other items bearing our name, including clothing and uniforms, must be purchased from a vendor(s) designated by us.

New or Additional Designated Sources

Upon reasonable notice to you (i.e. in no event less than 10 days' notice), we may require you to use new or additional designated sources for the purchase of the above-mentioned products and services or any other products or services used in the operation of, or offered for sale at, your Southern Solar Business.

Approved Suppliers

If we have approved suppliers (including manufacturers, distributors and other sources) for any items, supplies, materials, fixtures, furnishings, equipment, services, sight plans and designs, computer systems and other products used in, or offered for sale at, the Southern Solar Business, you must obtain these items from one of those approved suppliers. Approved suppliers are those who demonstrate on a continuing basis the ability to meet our then-current standards and specifications, who have adequate quality controls and the capacity to supply the needs of the Southern Solar franchise network promptly and reliably, whom we have approved in writing and whom we have not later disapproved. We have designated ourselves or our affiliates as approved or designated suppliers for certain items as described above in this Item 8. Before opening your Southern Solar Business (and from time to time as needed during operation of your Southern Solar Business), you must purchase from approved suppliers certain items required for the operation of a Southern Solar Business, including, among other things, uniforms, certain equipment/tools, and inventory/supplies.

We have the right to make available to you for resale in the Southern Solar Business merchandise identifying the Southern Solar Concept. This may include Southern Solar memorabilia, like shirts, cups and hats. If we make this type of merchandise available, we will require you to purchase it from us, our affiliate or a supplier we designate in amounts necessary to meet your customer demand.

Evaluation of New Suppliers

If we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We may re-inspect the facilities and products of any approved supplier, and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier, you must promptly discontinue use of that supplier. You must reimburse us for the costs that we incur in the supplier approval process. The costs for testing/inspection of a product will vary based on the testing required for the particular product, and we will provide an estimate of the costs to you before testing a product or inspecting any facilities. Nothing requires us to approve any particular supplier, and we will notify you of our approval or disapproval within 180 days after receiving all requested information. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

Purchases According to Specifications

You must comply with all of our standards and specifications relating to the purchase of all services, supplies, materials, fixtures, furnishings, equipment, computer systems and other products used or offered for sale at the Southern Solar Business. Among other things, the following must comply with our specifications:

Site Selection and Construction

You must locate a site for the Southern Solar Business that satisfies our site selection requirements. We anticipate that most, if not all, Southern Solar Businesses will be conducted from a leased office space with no improvements, so no construction or remodeling will be necessary other that installation of any office equipment to be used in the operation of your Southern Solar Business. Your office must be located within your Protected Area.

Advertising and Promotional Materials

You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading and will conform to the highest standards of ethical marketing and the promotion policies that we prescribe periodically. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least 15 days before you use them or deliver them to a third party for use in any advertisement. If you do not receive written approval within 10 days after our receipt of such materials, we will be deemed to have disapproved such materials. You may not use any advertising or promotional materials that we have disapproved. Our approval of any advertising material may be withdrawn in our sole discretion at any time. If we notify you that certain advertising materials are no longer approved then you will be required to cease using such materials as soon as possible after receiving such notice.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense related to or connected with the operation of the Southern Solar Business. All required insurance policies must be purchased from one of our approved insurance providers, which must be A rated or better by AM Best. In addition, each of your insurance policies must include a one-year tail following the termination, expiration or transfer of your franchise agreement, and each policy must name us as a co-insured and certificate holder and provide us with 30 days' notice prior to any termination or expiration. At a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time in writing), you must carry:

(1) Comprehensive general liability insurance written on an occurrence form, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, $2,000,000 products/completed operations aggregate, $1,000,000 personal and advertising injury, $50,000 damage to premises rented to you, and $5,000 medical expense (any one person). The general liability coverage shall include a waiver of subrogation endorsement in favor of us and shall not limit or exclude contractual liability;

(2) Employment related practices liability insurance, including third party coverage, in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate. Such insurance must include a deductible of less than $10,000 unless we approve a higher deductible in writing. Prior acts retroactive date must be no later than the effective date of your Southern Solar franchise agreement;

(3) Commercial automobile insurance written on a combined single limit basis for bodily injury and property damage with a limit not less than $1,000,000 per accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles and shall include additional insured and waiver of subrogation endorsements in favor of us;

(4) Commercial umbrella or excess liability following form insurance in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate;

(5) Property insurance coverage to include coverage for replacement costs of all Franchisee-owned contents and tenant improvements at each location, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than six months. All property related coverage shall be written on special causes of loss forms with deductibles not to be greater than $10,000 per occurrence;

(6) Workers' compensation (Coverage A) with statutory limits complying with the laws of the applicable state, and employer's liability (Coverage B) with limits not less than $1,000,000 per accident, $1,000,000 disease policy limit, and $1,000,000 disease per employee. Such insurance shall include a waiver of subrogation endorsement in favor of us; and

(7) Such other insurance as may be required by us from time to time or by the landlord of the Southern Solar Business premises at, and by the state or locality in, which the Southern Solar Business is located. All required insurance coverages may be obtained by separate primary policies, or in combination with umbrella or excess liability policies.

Purchasing Arrangements

In fiscal year 2021, neither we nor any of our affiliates received any revenues from the sale of products or services to franchisees, but we and our affiliates reserve the right to receive revenues from the sale of products and services to our franchisees in the future and to use those funds as we determine.

We may negotiate certain purchase arrangements (including price terms) for the purchase of certain items, such as uniforms, branded products, equipment, supplies or other items, with suppliers for the benefit of franchisees. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor. We or our affiliates may receive rebates, refunds or other material consideration from approved or designated sources. We currently receive no rebates, refunds or other payments from our designated or approved vendors, but we reserve the right to receive such rebates, refunds or other payments in the future. We will not provide material benefits to franchisees based upon their use of designated or approved suppliers.

There are currently no purchasing or distribution cooperatives for the Southern Solar System.

Your obligations to purchase or lease goods, services, supplies, fixtures, equipment, inventory, computer hardware and software or other items from us or our designee, from suppliers we approve, or under our specifications are all considered "required purchases." We describe your purchase obligations in detail in the preceding sections of this Item 8. The magnitude of required purchases in relation to all purchases you make to establish and operate the Southern Solar Business is difficult to determine due to the highly variable nature of expenditures necessary to establish and operate the Southern Solar Business as described in Item 7. We estimate that your total initial required purchases will range between 40% and 50% of the cost of your initial purchases or leases. We estimate your required purchases for the operation of the Southern Solar Business will range between 80% and 90% of your annual purchases or leases.

Except for ownership in us and our affiliates, our officers do not hold any ownership interest in any privately-held suppliers or any material interest in any publicly-held suppliers of the Southern Solar franchise system. From time to time our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other Items of this Disclosure Document.

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Franchise Agreement Section III.A.	Items 8 and 11
b. Pre-opening purchases/leases	Franchise Agreement Sections III., VIII., IX. and XIII.	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Franchise Agreement Sections III., VII. and VIII.	Items 1, 7, 8 and 11
d. Initial and ongoing training	Franchise Agreement Sections VI.B. and VIII.A.	Items 6, 7 and 11
e. Opening	Franchise Agreement Sections III., IX.F. and Exhibit C	Items 7 and 11
f. Fees	Franchise Agreement Sections V. and IX.	Items 5, 6 and 11
g. Compliance with standards and policies/Manuals	Franchise Agreement Sections III., IV., VII., VIII., IX., X., XI., XII., XIII.	Items 8, 11, 14 and 16

h. Trademarks and proprietary information	Franchise Agreement Sections X. and XI. and Exhibit B	Items 11, 13 and 14
i. Restrictions on products/services offered	Franchise Agreement Section VIII.	Items 8 and 16
j. Warranty and customer service requirements	Franchise Agreement Section VII.I and Section VIII.H.	Item 16
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Franchise Agreement Sections VIII. and IX.	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Franchise Agreement Sections IV. and VIII.	Item 8
n. Insurance	Franchise Agreement Section XIII.	Items 7 and 8
o. Advertising	Franchise Agreement Section IX.	Items 6, 8 and 11
p. Indemnification	Franchise Agreement Section XVI.	Item 6
q. Owner's participation/ management/staffing	Franchise Agreement Sections VII. and VIII.	Items 1, 11 and 15

r. Records and reports	Franchise Agreement Sections III., V., IX. and XII.	Item 11
s. Inspections and audits	Franchise Agreement Sections III., VI., VIII. and XII.	Items 6, 8 and 11
t. Transfer	Franchise Agreement Section XV.	Items 6, 12 and 17
u. Renewal	Franchise Agreement Section IV.	Items 6, 12 and 17
v. Post-termination obligations	Franchise Agreement Section XIX.	Item 17
w. Noncompetition covenants	Franchise Agreement Section XI. and Exhibit B	Item 17
x. Dispute resolution	Franchise Agreement Section XX.F.	Item 17

ITEM 10: FINANCING

We do not offer direct or indirect financing, and we do not guarantee your notes, leases or other obligations.

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 open your Southern Solar Business, we or our designee will:

1. Give you the site selection assistance we believe to be necessary, if any. (Section III.A. of Franchise Agreement);

2. Review your proposed site for compliance with our site selection guidelines and accept or not accept the site and your proposed lease or contract of sale within 15 days after receiving your complete site information. (Section III.A. of Franchise Agreement);

3. Provide you with access to one set of our Manuals (which may, at our option, be provided only in electronic format). (Franchise Agreement, Section VI.A.);

4. Other than selling you our required opening equipment package and delivering that package to you, we do not directly assist you in obtaining or installing your equipment, signs, inventory, supplies, etc., but we will provide you a list of approved suppliers from whom you must purchase products and services that meet our written standards and specifications. (Franchise Agreement, Section VI.I.); and

5. Conduct an initial training program. (Franchise Agreement, Sections VI.B. and VIII.A.).

Post-Opening Obligations: During the operation of your Southern Solar Business, we will:

1. Provide you with on-site assistance for up to 2 days at your Southern Solar Business within a reasonable time (generally within 2 weeks) after you begin operations (except that we may, at our option, elect not to provide on-site assistance for your second and subsequent Southern Solar franchises). (Franchise Agreement, Section VI.C.);

2. Conduct periodic evaluations of your operations. (Franchise Agreement, Section VI.E.);

3. Administer a Brand Development Fund and provide any advertising and promotional materials we develop for local advertising. (Franchise Agreement, Sections VI.F. and IX.);

4. Give you any advice, additional training as we deem necessary from time to time, and written materials we may develop on the techniques of managing and operating Southern Solar Businesses. (Franchise Agreement, Section VI.G.);

5. Give you updated lists of approved suppliers and vendors. (Franchise Agreement, Section VI.I.);

6. Provide pricing methods/guidance from time to time for products and services to be sold at Southern Solar Businesses. We may, at our option, establish maximum, minimum or other pricing requirements for the products to be sold at your Southern Solar Business to the fullest extent allowed by law. (Franchise Agreement, Section VIII.K); and

7. Provide to you, on loan, any proprietary software programs that we may develop in the future for use in the System. We reserve the right to charge you reasonable license fees if we develop such proprietary software. (Franchise Agreement, Section VI.D.).

Site Selection and Construction

You must operate your Southern Solar Business from a site approved by us within your Protected Area. You must find a site that is located in the Protected Area and meets our minimum standards. In reviewing your proposed site, we consider various factors, including the condition of the site, the location of the site, population, and other demographic factors. We must accept the site as meeting our minimum standards before you may begin using such site for your Southern Solar Business. You cannot place a Southern Solar Business at a site we have not first accepted in writing. We do not provide franchisees with written site selection guidelines, but if you request (or we deem it appropriate) we will assist you in selecting a site that meets our minimum site standards. We generally do not own any premises at which our franchisees operate. (Section III.A. of Franchise Agreement)

You must submit to us in writing a description of the site, evidence that the site satisfies our minimum standards and any other information we may require. We have 15 days after we receive all required information to review and accept or not accept your proposed site and notify you of such acceptance or rejection. (Section III.A. of Franchise Agreement)

If you are not able to locate a site that is approved by us within 90 days after signing the Franchise Agreement then you will be in default under the Franchise Agreement, and we may, at our option, terminate such agreement.

You are responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of the Southern Solar Business, and you must conform the Southern Solar Business premises as needed to comply with any local ordinances and building codes at your expense. (Franchise Agreement, Section III.C.)

We do not provide any architectural or design plans or specifications for a Southern Solar Business, but upon your request we will provide advice as we determine necessary. (Franchise Agreement, Section III.D.)

Time Between Signing the Franchise Agreement and Locating and Opening an Approved Site

We estimate that it will be approximately 90 to 150 days from the time you sign the Franchise Agreement to the time you begin operations. This time period may be shorter or longer depending on various factors, such as delays or difficulties in obtaining financing, permits, and local ordinances, weather conditions, shortages of materials or delayed installation of equipment, fixtures or signs.

You must begin operating your Southern Solar Business within 180 days after signing the Franchise Agreement unless we give you a written extension. If you fail to begin operating with 180 days after signing the Franchise Agreement you will be in default under the Franchise Agreement, and we may terminate such agreement at our option. (Franchise Agreement, Section III.E.)

Advertising

We will coordinate with you to implement a grand opening marketing campaign approved by us, but we do not currently require you to spend any minimum amount on grand opening advertising. To the extent that you conduct a grand opening marketing campaign, your grand opening promotion costs are in

addition to the required local advertising expenditures described below (Franchise Agreement, Section IX.D. through F.)

Local Advertising

You must spend at least $5,000 per month on advertising and promotion of your Southern Solar Business in the Protected Area, and at least one-half (50%) of your local advertising money must be used to participate in telemarketing programs approved by us. In our sole discretion, on not less than 30 days' written notice, we may increase the amount you must spend on local advertising. (See Item 12 for a description of the Protected Area)

You must submit to us any reports (including substantiating receipts) detailing your local advertising expenditures that we may require. (Franchise Agreement, Section IX.)

You must place and pay the cost of a business listing acceptable to us, which may, at our option, be an Internet business listing, in such directories and categories as we may specify from time to time in the Manuals or otherwise in writing. We will not credit your payments for these listings towards your local advertising expenditure requirement. (Franchise Agreement, Section IX.G.)

All advertising and promotions you place in any medium must be conducted professionally, must conform to our standards and requirements and must be approved by us before use, as described in Item 8.

You may not advertise, promote, post or list information relating to the Southern Solar Business on the Internet (through the creation of a website, social media accounts or posts or otherwise) without our prior written consent, but we may, at our option, decide to include information about your Southern Solar Business on our Website. If we grant you the right to advertise, promote, post or list information relating to the Southern Solar Business on the Internet, then you will be required to comply with our advertising standards and requirements with regard to all such Internet advertising.

We can, but are not obligated to, designate any geographic area in which two or more company-owned or franchised Southern Solar Businesses are located as a region for an advertising cooperative ("Cooperative"). We may require Cooperatives to be formed, changed, dissolved or merged from time to time. If we do form a Cooperative, the Cooperative must be organized and governed as we determine. Any Cooperatives we authorize will be for the exclusive purpose of administering advertising programs and developing promotional materials for members in local advertising. If a Cooperative is established for an area that includes your Protected Area, you must become a member of the Cooperative and participate in the Cooperative by contributing the amounts required by the Cooperative's governing documents, which will require contributions of at least $500 per month. However, you will not be required to contribute more than the amount you would otherwise be required to spend on local advertising, and your Cooperative contribution will be applied toward partial satisfaction of your local advertising requirement. If we have company-owned Southern Solar Businesses that are included in your Cooperative territory, those company-owned Southern Solar Businesses will contribute to the Cooperative on the same basis as franchised businesses under our then-standard franchise agreement and will not have power to increase your required Cooperative contributions without a majority vote of the franchisee members of the Cooperative. You must also submit to the Cooperative and to us all statements and reports that we, or the Cooperative, may require. Cooperative contributions will be maintained and administered under the Cooperative's governing documents and the Cooperative will be operated solely as a conduit for the collection and expenditure of advertising contributions. (Franchise Agreement, Section IX.B.)

Brand Development Fund and Regional Advertising

Brand Development Fund Contributions

In addition to local advertising (individually or through a Cooperative), we have established a Brand Development Fund (the "Fund"). You must make weekly contributions to the Fund throughout the term of your Franchise Agreement, and your initial contributions will each be an amount equal to 0.5% of the Southern Solar Business' Gross Sales. Your required contributions to the Fund are in addition to amounts you are required to spend for local advertising.

Administration of the Brand Development Fund

We or someone we designate will separately administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. We will direct all programs financed by the Fund, including the creative concepts, materials, endorsements, and the geographic market and media placement and allocation thereof. We may use the Fund to satisfy the costs of producing video, audio and written advertising materials; administering regional and multi-regional advertising programs; developing and maintaining an Internet website; developing and maintaining gift card, membership and other customer loyalty programs; and supporting public relations, market research, other advertising, promotion and marketing activities, and any other activities we, in our sole discretion, believe are appropriate to enhance, promote and protect the Southern Solar brand or the System.

We are not required to make any minimum Fund expenditures for advertising in your area. We have no obligation to spend amounts in your area that are equivalent or proportionate to your Fund contributions, and we have no obligation to ensure that any particular franchisee benefits directly or in proportion to its contributions to the Fund. We reserve the right to spend a portion of the Fund monies on Website development, optimization, promotion, and maintenance (a portion of which may include soliciting the sale of franchises using the websites or websites primarily focused on franchise growth), and we may, at our option, spend up to 20% of the annual deposits into the Fund each year on expenses related to selling, and advertising the sale of, franchises. However, beginning on January 1st of the year following the date on which we have 100 open and operating franchisees, we may no longer spend money from the Fund on expenses related to selling, and advertising the sale of, franchises, except that we may continue to used Fund monies on public relations or recognition of the Southern Solar brand and creation and/or maintenance of our web site, a portion of which will focus on our franchise offering. The Southern Solar Businesses owned by us and our affiliates may, but are not required to, contribute to the Fund on the same basis as a franchisee under the terms of our then-standard franchise agreement.

We may use the Fund to directly place advertising in your local or regional market; however, we also intend to use the Fund to create and prepare marketing materials or advertising programs that will be provided to you so that you may directly place or implement such materials or programs in your local or regional market. Any amounts that you spend to place or implement advertising created by the Fund in your local or regional market will be credited towards your local advertising obligations.

We may use Fund monies to create in-house marketing materials or products, and we may also use Fund monies to hire local, regional or national marketing agencies or other vendors to assist in our advertising and marketing efforts from time to time.

We will not use your Fund contributions to defray any of our operating expenses, except for any reasonable salaries, administrative costs, travel expenses, overhead and other expenses that we may incur in administering the Fund and the advertising programs and activities and other activities necessary to

enhance, promote, and protect the Southern Solar brand or the System. We will prepare an annual statement of the Fund's operations and will make it available to you if you request it. Any amounts in the Fund that are not spent in the fiscal year in which they accrue will be applied toward advertising activities or our expenses incurred in administering the Fund and its programs in the following fiscal year. We are not required to have the Fund's statements audited.

We may terminate the Fund at any time on 30 days prior written notice to you. If we terminate the Fund, all unspent monies will be distributed to the contributors in proportion to their respective contributions during the preceding 12-month period. (Franchise Agreement, Section IX.C.)

During our fiscal year 2021, no Fund contributions were received or spent.

We presently do not have an advertising council, but we reserve the right to establish such councils in the future, and we may require you to participate in such councils at your own costs.

Computer Systems

You must purchase, install and at all times use the computer system designated by us at your Southern Solar Business. If the designated computer system is updated or modified by the manufacturer from time to time you may be required to purchase the modified or upgraded version. You must also install and maintain at least one computer that is capable of running the designated software at all times. The designated software is used to generate, compile, store and manage Southern Solar Business sales information. You must purchase this software and the related hardware from a supplier approved by us. The designated system, including the required computer hardware needed to operate the system and the software that you must purchase or lease from our designated suppliers, costs approximately $3,500 to $8,000.

You are not currently required to subscribe to any specific helpdesk/maintenance services plan, so there is no required annual cost for helpdesk/maintenance services related to your computer system. However, we reserve the right to implement a required helpdesk/maintenance services plan from time to time and require franchisees to pay for any such helpdesk/maintenance services in the future.

You must purchase and maintain a smart phone and/or tablet for each of your sales people and a laptop computer for each administrative employee of the Southern Solar Business, and each employee must have Internet access via high speed internet connection, with a device that is capable of running the software we require from time to time and is able to transmit and receive e-mails. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by Southern Solar Businesses.

Except as stated above, neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades or updates to your hardware or software. Except as stated above, there are currently no optional or required maintenance/upgrade contracts for the computer system. The software programs and hardware used at Southern Solar Businesses are designed to enable us to have independent access to the information generated and stored by the system, and there is no contractual limitation on our access to, or use of, the information we obtain.

We may revise our specifications for the hardware and any software used in the Southern Solar Business as we deem necessary, including the designation of specific brands or models of accounting software or other software used for word processing, spreadsheets and other office functions, that you must use in the operation of your Southern Solar Business. In addition, you must update and upgrade the

hardware and software described in this Item 11 from time to time as we require, and you must install any other hardware or software for the operation of the Southern Solar Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. The licensors of the required software may develop enhancements and upgrades for their programs that you may be required to obtain. We cannot estimate how often those licensors may develop updates, upgrades or enhancements, or whether we will require you to obtain them, or their cost to you. There are, however, no limitations on the frequency and cost of the updates, upgrades or enhancements.

Confidential Operations Manuals

After you sign the Franchise Agreement, we will provide you with access to our Manuals (in electronic format only), which we may amend from time to time upon written notice to you. A copy of the table of contents of the current Manual, which contains a total of 76 pages, is attached as Exhibit C to this Disclosure Document. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. You are prohibited from making any copies of the Manuals.

Training

For new Southern Solar Businesses, your Principal Owner must attend our initial training program in Fort Worth, Texas. In addition, at least 2 of your sales people must attend the sales portion of our initial training program, and at least 2 of your administrative employees must attend administrative portion of our training. You and your applicable employees must attend and complete our initial management training program to our satisfaction at least one (1) week prior to opening. (Franchise Agreement, Section VIII.A.) For Southern Solar Businesses that have transferred ownership, your Principal Owner and your General Manager (if different from the Principal Owner) must attend and complete our initial management training program to our satisfaction no later than 30 days from the date of Southern Solar Business transfer.

The training program will last approximately 5 to 10 days, provided that in our discretion fewer days of training may be required for existing franchisees opening additional Southern Solar Businesses. Training will be conducted at our offices in Fort Worth, Texas, or another location designated by us. We provide instructors and training materials for the initial training program at no charge, but you must pay all expenses you and your personnel incur in connection with the initial training, including costs of travel, lodging, meals and wages. We may charge a reasonable training fee (up to $500 per day) for training any successor or replacement personnel. (Franchise Agreement, Section VIII.A.)

The materials used in training include the Manuals as well as other presentation materials, such as power point presentations. Our training program will be directed and overseen by Jason Santee, our Vice President, who has over 10 total years of experience in the franchise industry and less than one year of experience operating Southern Solar businesses.

Our training will be conducted by Jason Santee, who will be assisted by qualified members of our staff (provided that each staff trainer/instructor will have a minimum of one year of experience in his or her field of instruction).

Our initial training program is offered as needed during the year depending on the number of new franchisees entering the franchise system, the number of other personnel needing training, and the scheduled opening of new Southern Solar Businesses. The subjects covered and other information relevant to our initial training program are described below.

TRAINING PROGRAM

Subject	Classroom Hours	On the Job Hours	Location
Preliminary Training	8 hours	-	On-line
Southern Solar University	36 hours	-	Our offices in Fort Worth, TX
Post-University Training	-	24 hours	On-line and at your franchise location
TOTALS	**44 hours**	**24 hours**	

(1) Our initial training program is subject to change without notice to reflect updates in the materials, methods and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees.

We may, at our option, require your Principal Owner and General Manager to attend additional training programs and seminars from time to time (up to a maximum of 5 training days per year) at a location designated by us. We have the right, at our option, to charge a reasonable fee for these additional training programs and seminars (a daily rate of up to $500 per trainer). You must pay all expenses you or your personnel incur in connection with any training program or seminar, including the cost of travel, lodging, meals and wages. (Franchise Agreement, Section VIII.A.).

If we schedule an annual franchise conference, we will require you to attend (up to a maximum of 3 days per year). You must pay all expenses you or your personnel incur in connection with any such conference, including the cost of travel, lodging, meals and wages, and if you do not attend, we will charge you registration fees for a minimum of one person along with a $500 penalty.

ITEM 12: TERRITORY

The Franchise Agreement gives you the right to operate a Southern Solar Business only from a site we accept as meeting our site selection guidelines (the "Location"), and you may not provide products or services to any party outside of your Protected Area. We will grant you a "Protected Area" around your approved site as described below.

Franchise Agreement

You must operate the Southern Solar Business only from the location approved by us in writing within the agreed upon "Protected Area" set forth in Exhibit C of the Franchise Agreement (the "Protected Area"). Any proposed location will be subject to our review and approval or rejection as described in the Franchise Agreement. You are solely responsible for finding a site that is located in the Protected Area, meets our minimum standards and complies with any applicable zoning laws or restrictions.

If you remain in compliance with the Franchise Agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish, or authorize anyone except you to establish, a Southern Solar Business in the geographic area identified as the "Protected Area" in Exhibit C of the Franchise Agreement during the term of the Franchise Agreement; provided, however, that our affiliate, SSLLC currently operates a Southern Solar business throughout a large portion of the State of Texas, and SSLLC will continue to have the right to service customers located anywhere in the State of Texas.

Your Protected Area will be a geographic area defined by zip codes which will include a minimum of at least 160,000 single family detached homes. We determine the boundaries of each Protected Area on a case-by-case basis based on various factors, including (i) the number of single family detached homes in the area; (ii) household income; and (iii) other site-specific data as applicable. Your "Protected Area" will be described in Exhibit C of your Franchise Agreement.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You cannot relocate the Southern Solar Business without our consent. If you lose possession of the Southern Solar Business premises through no fault of your own, you may apply to us for our approval to relocate your Southern Solar Business to another site in the Protected Area. Such request must be submitted to us as soon as possible (but in no event longer than 10 days) after the date you discover you will be unable to continue the operation of the Southern Solar Business at the Location.

We may not reduce your rights in the Protected Area due to population increases or your failure to achieve certain revenues, but we may reduce your rights in the Protected Area if you breach your obligations under the Franchise Agreement.

You must operate the Southern Solar Business only from the location approved by us, and you may not provide products or services to any party outside of your Protected Area. Unless otherwise approved by us, you may not solicit or accept orders from consumers outside the Protected Area through any channels of distribution (including the Internet, catalog sales, telemarketing and other direct marketing sales).

Your marketing activities must be focused on, and directed primarily towards, customers located within your Protected Area, but you may be permitted to solicit and service customers outside of your Protected Area if you receive our written consent and such customers are not located within another franchisee's Protected Area. You will not be permitted to solicit or service customers located within another franchisee's Protected Area. If you solicit or otherwise obtain customers outside of your Protected Area and we subsequently grant a franchise to a third party for a territory covering the location of your outside customer then the right to service such existing customer will automatically be transferred to the new franchisee, and you will have no right to any compensation of any kind for the loss of such customer.

We retain all other rights. Among other things, this means we can:

(i) Operate, and license others to operate, Southern Solar Businesses at any location outside the Protected Area.

(ii) Develop and establish other business systems (including systems that offer products or services similar to those offered at Southern Solar Businesses) using other names or marks, and grant licenses to use those systems;

(iii) Advertise and promote the Southern Solar Concept within and outside the Protected Area;

(iv) Acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area;

(v) Within and outside the Protected Area, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services (under the Marks or under other names or marks) through any alternative channel or by any method of distribution (including Internet sales, sales in retail outlets,

wholesale sales, catalog sales, telemarketing and other direct marketing sales) other than a Southern Solar Business offered under this disclosure document, on any terms and conditions we deem appropriate, and without any compensation to you.

Continuation of any territorial protection granted to you under the Franchise Agreement does not depend on the achievement of a certain sales volume, market penetration or other contingency.

National Accounts

We reserve the right under the Franchise Agreement to contract or enter into strategic alliances with "National Accounts" (which may be either regional or national in scope) to provide services and products as determined by us. A "National Account" means a customer that conducts its business in two or more locations and who has a contract or strategic alliance with us or our affiliates for the provision of services and products to it or its locations, employees, members or customers, as applicable. If we or our affiliates contract or enter into a strategic alliance with a National Account which has locations, employees, students, members or customers in your Protected Area, we will contact you and provide you with an opportunity to provide services and products to the National Account locations, employees, members or customers located in your Protected Area under the terms and conditions agreed to between us or our affiliate and the National Account.

If, within 3 days of the date we first attempt to contact you regarding a National Account opportunity, you are unable for any reason, including not being qualified to service the National Account, or do not elect to provide the contracted for services or products to the National Account in accordance with the agreed terms and conditions for such National Account, then we or our affiliates or our designees, including other franchisees, will have the right to provide the products and services to such National Account, and you will have no right to the National Account locations, employees, members or customers throughout the term of our contract or strategic alliance (including any renewal periods) with the National Account, and you will not be entitled to receive any compensation or proceeds from the provision of such products and services. As of the date of this disclosure document, we do not have any National Accounts, and we cannot guarantee that we will have any in the future or that if we do, you will receive any National Account referrals.

Rights of First Refusal

We generally do not grant any options, rights of first refusal or similar rights to obtain additional franchises. If you wish to obtain an additional franchise, you must enter into a separate Franchise Agreement for that franchise.

Neither we nor our affiliates have established, or have present plans to establish, franchises, company-owned outlets or other channels of distribution offering and selling products and services similar to those to be offered by you under different trademarks. However, there are no restrictions in the Franchise Agreement that would prohibit us from doing so, and we anticipate that we or our affiliates may, in the future, establish a business that builds and/or sells commercial solar farms, which may or may not operate under the name "Southern Solar" or similar name.

You may use the Internet to advertise only on our website and only to the extent expressly permitted under, and in compliance with, the Franchise Agreement.

ITEM 13: TRADEMARKS

The Franchise Agreement gives you a license to operate a Southern Solar Business under the mark "Southern Solar" and to use any future Marks we authorize.

Our affiliate, SSLLC, has registered, or applied for registration of, the following Marks with the U.S. Patent and Trademark Office ("USPTO") on the Principal Register. At the appropriate times, SSLLC intends to renew the registrations and to file all appropriate affidavits.

Mark	Serial Number	Application Date	Registration Number	Registration Date	Register
SOUTHERN SOLAR	97541472	August 9, 2022	Pending	Pending	Principal

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There is no presently effective determination of the U.S. Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which is relevant to their ownership, use or licensing.

We are aware that some third-party competitors have operated, or currently operate, under names that are similar to, or the same as, "Southern Solar". Specifically, a third-party competitor in Alabama operates a solar panel business under the name "Southern Solar Systems" in Huntsville, Alabama, and a separate third-party competitor in Memphis, Tennessee operates under the name "Southern Solar & Electric" and has recently filed an application with the USPTO seeking trademark registration. It is not clear how long these competitors have operated under similar names to ours. As of the date of this Disclosure Document, we have not taken action against any competitors operating under similar names to ours, but we are evaluating our options and reserve the right to take action in the future in our sole discretion.

Except as described above, we know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

Our rights to the Marks and the proprietary System know-how within the Southern Solar Concept are derived from a nonexclusive perpetual license (the "Intercompany License") between us and our affiliate, SSLLC. The Intercompany License grants us the right to use the Marks and the proprietary information related to the System, such as the know-how and the Manuals, for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach within 90 days after notice. If the Intercompany License agreement is terminated by us or SSLLC then SSLLC will permit you to continue using the Marks under your franchise agreement until the expiration or earlier termination of such franchise agreement (plus one renewal period if the agreement is set to expire and you meet all renewal criteria set forth in your Franchise Agreement).

We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you.

You must promptly notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Owners must agree not to communicate with any person other than us, our designated affiliate, and our or their counsel about any infringement, challenge or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, from any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your owners may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your sole expense.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents, and do not have any pending patent applications, that are material to the franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, proprietary software systems, and other written materials relating to the operation of Southern Solar Businesses and the System. We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

You and your Owners must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your Owners must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires.

You and your Owners can give this confidential information only to your employees who need it to operate your Southern Solar Business. You must have your General Manager and any of your other personnel who have received or will have access to our confidential information, sign similar covenants. (See Item 15)

If you or your Owners develop any new concept, process or improvement in the operation or promotion of your Southern Solar Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your Owners agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

When you sign the Franchise Agreement, you must designate an individual to serve as your "Principal Owner." The Principal Owner must be an individual holding at least a 1% ownership interest in you, or, if you are an individual then you will be the Principal Owner. The Principal Owner must successfully complete our initial training program, must meet our qualifications and must be approved by us before you begin operations. The same person must act as the Principal Owner under the Franchise Agreements for all Southern Solar Businesses operated by you and, if applicable, your affiliates.

Unless a separate General Manager is approved by us, your Principal Owner must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement, and your Principal Owner is required under the Franchise Agreement to serve as your General Manager for at least 12 months after you begin operations. If you wish to appoint a General Manager at any time after 12 months of operation, that person must devote his or her full-time best efforts to the supervision of your operations under the Franchise Agreement, must successfully complete our required training program and must be approved by us in writing. We reserve the right to deny an application to have your business managed by a General Manager for any reason or no reason, in our sole business judgment.

Without our written consent, your Principal Owner may not engage in any business other than the development and operation of your Southern Solar Business(es). Your Principal Owner must satisfy our training requirements and our other standards and must personally guaranty your performance under the Franchise Agreement. All of your owners (not just the Principal Owner) must agree to be jointly and severally bound by all of your obligations and the obligations of the Principal Owner under the Franchise Agreement. (See Item 1) If you are an individual, your spouse must personally guaranty your performance under the Franchise Agreement.

Until we approve a separate General Manager in writing, your Principal Owner will be required to serve as the General Manager of your Southern Solar Business, provided that he or she may not serve as the General Manager for more than one Southern Solar Business at the same time without our written consent. With our written consent, you may elect to designate an individual other than your Principal Owner as General Manager. Even if we permit you to designate a General Manager to supervise your operations under the Franchise Agreement, your Principal Owner remains ultimately responsible for the General Manager's performance. Any General Manager must successfully complete our initial training program to our satisfaction, must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement and may not engage in any other business. Each Southern Solar Business must have a different General Manager unless we agree otherwise in writing.

You must promptly notify us if your Principal Owner or any General Manager cannot continue or no longer qualifies to serve as a Principal Owner or General Manager, as applicable. You will have 30 days from the date of the notice (or from any date that we independently determine the Principal Owner or General Manager no longer meets our standards) to take corrective action acceptable to us. During that 30-day period, you must provide for interim management of your operations in compliance with the Franchise Agreement.

At our request, you must have your General Manager and any other personnel who will have access to our training, sign covenants not to compete, and such persons must maintain the confidentiality of information they have access to through their relationship with you. (See Item 14) These covenants will be in substantially the form of Exhibit B to the Franchise Agreement. We have the right, in our sole discretion, to decrease the period of time or geographic scope of the noncompetition covenants or eliminate the noncompetition covenant altogether for any person who must sign an agreement described in this paragraph. (See Item 17).

ITEM 16: RESTRICTONS ON WHAT THE FRANCHISEE MAY SELL

All products and services you use or sell at the Southern Solar Business must conform to our standards and specifications. (See Item 8) These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Southern Solar Business.

You must offer and sell only the products and services that we have expressly approved in writing, and you must offer and sell each of the products and services we authorize for sale at Southern Solar Businesses. You must stop selling any products or services that we disapprove in writing. There is no limit on our right to add or remove items from our standard list of products and services, and you must promptly comply with any changes that we make to that list. You must perform all services using the procedures contained in our Manuals or other written instructions. You must not use or offer nonconforming products or services unless we first give you our written consent. You must open and operate the Southern Solar Business during the hours we specify in the Manual or otherwise in writing.

We may make available to you and may require you to purchase from us for resale to your customers certain merchandise, like clothing or other memorabilia, in amounts necessary to meet your customer demand.

You may only install, use and offer at your Southern Solar Business such equipment and machines as we have expressly approved in the Manuals or otherwise in writing.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services.

You shall not sell any products or services to commercial customers, including apartment complexes, solar farms, etc. (all of your sales must be to residential customers), and you may not sell any products at wholesale or to any purchaser whom you know (or have reasonable grounds to suspect) intends to resell the products unless you receive our prior written consent for such sale. Any such sale must be conducted in accordance with our System Standards. Except as described above, we do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or sell or the customers to whom you may offer or sell.

Customer Warranty Requirements

You must provide all of your customers with a full warranty (for both products and services) on all residential solar installations provided by your Southern Solar Business as is consistent with our Operations Manual, which currently requires that you provide your customers with a warranty for the greater of: (i) 25 years from the system installation date for any work performed by you at any location, or (ii) for the time period required by state law for any work performed by you. You must pay for all costs associated with servicing any warranty claim made by any of your customers. Your warranty obligations survive the termination of your Franchise Agreement.

ITEM 17: RENEWAL TERMINATION TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section IV.A	10-year initial term
b. Renewal or extension of the term	Section IV.B	Three additional 10-year terms
c. Requirements for franchisee to renew or extend	Section IV.B	Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current Franchise Agreement, which may contain materially different terms and conditions from your original contract, except that the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees. Other requirements are: Give written notice; update required items; not be in default; pay all money owed; retain right to your franchise location; pay us a renewal fee; sign general release; comply with then-current qualifications and training requirements.
d. Termination by franchisee	Not Applicable	Not Applicable (your termination rights are subject to state law)
e. Termination by franchisor without cause	Not Applicable	Not Applicable

f. Termination by franchisor with cause	Section XVIII.	We may terminate on your default.
g. "Cause" defined – curable defaults	Section XVIII.C.	For any default except those specified as non-curable you have 30 days to cure (except only 5 days for failure to submit a required report or pay monies; 24 hours for misuse of the Marks; 7 days if you fail to obtain the required insurance coverages; and 10 days if you fail to comply with the noncompetition covenants).
h. "Cause" defined – non-curable defaults	Sections XVIII.A. and XVIII.B.	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; operation of Southern Solar Business at location or territory that we have not accepted; failure to construct the Southern Solar Business in accordance with requirements; failure to begin business within the required time period; abandonment (i.e. unauthorized closure for 72 hours or more) or forfeiture of right to do business; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to comply with standards/quality assurance program; default under any other franchise agreement and failure to cure; repeated defaults whether or not cured; assets, property or interests "blocked" under any terrorism laws or

		regulations or other violation of such laws or regulations.
i. Franchisee's obligations on termination/nonrenewal	Section XIX.	Stop operating your Southern Solar Business and using the Southern Solar System, confidential methods, procedures, techniques, and Marks; cancel any registration containing the Marks; not use any imitation of the Marks; pay amounts due and our damages and enforcement costs; comply with confidentiality and non-competition covenants; return all Manuals and other proprietary materials; furnish list of advertising/sales promotion materials bearing the Marks; at our option, sell or assign us your rights in business telephone numbers, advertising and promotional materials, furnishings equipment, and the premises; modify the appearance of the Southern Solar Business to our satisfaction.
j. Assignment of contract by franchisor	Section XV.A.	We may transfer our rights without restriction.
k. "Transfer" by franchisee – defined	Sections XV.B. and XV.C.	You must not transfer any direct or indirect interest in you, the Franchise Agreement or the assets of the franchised business without our consent.
l. Franchisor's approval of transfer by franchisee	Section XV.B.	We must consent and you must meet conditions before transferring.

m. Conditions for franchisor approval of transfer	Section XV.B.	Pay all amounts due; not be in default; sign a general release; pay transfer fee; remain liable for pre-transfer obligations; and obtain a one-year tail on insurance policies to cover liabilities that may have been incurred prior to the transfer. Transferee must meet our criteria, complete required training, guarantee obligations; enter into then-current franchise agreement and upgrade the Southern Solar Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section XV.D.	On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase franchisee's business	Sections XIX.A(8) and (9) and XIX.B.	Upon termination or expiration we have the option to purchase your advertising materials bearing the Marks at your cost. We will have the option to acquire the Location and the assets of the Southern Solar Business from you (subject to any rights of approval retained by the owner of the leasehold) at fair market value. If you own the land on which the Southern Solar Business is located, we have the option to lease the land (and any building on the land used for the operation of the Southern Solar Business), at a reasonable commercial rent. We have the option to have the lease for the premises of the Southern Solar Business assigned to us.

p. Death or disability of franchisee	Section XV.E.	On death or permanent disability of you or an Owner the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	Section XI.C.(1)	You may not operate or have an interest in a business which is similar to the franchised business and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.
r. Non-competition covenants after the franchise is terminated or expires	Sections XI.C.(2)	For 2 years following termination of the Franchise Agreement, you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to the franchised business at the Location, within the Protected Area, within a 100-mile radius of your Protected Area, or within a 100-mile radius of any other Southern Solar Business' Protected Area then in existence or under construction.
s. Modification of the agreement	Sections XI.A. and XX.O.	Agreement changes require mutual agreement, but you must comply with the Manuals as amended by us from time to time.
t. Integration/merger clause	Section XX.Z.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to

		applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other written agreement is intended to disclaim representations made in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section XX.F.	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property.
v. Choice of forum	Sections XX.F., XX.G. and XX.M.	Unless contrary to applicable state law: Mediation at the American Arbitration Association offices nearest to our principal place of business, except actions for monies owed, injunctive relief, or relief related to real property, the Marks or confidentiality information. Venue for any litigation is the state courts in Tarrant County, Texas, and Federal Courts in the Northern District of Texas. Any dispute or action between you and us will be of our and your individual claims. None of your claims will be litigated on a class-wide basis or otherwise consolidated with any claims of any third parties.
w. Choice of law	Section XX.H.	Unless contrary to applicable state law, Texas law (except for Texas' conflict of law rules).

ITEM 18: PUBLIC FIGURES

We do not currently use any public figure to promote the franchise, but we reserve the right to use public figures in our future promotional efforts.

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 Franchise 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.

Table A in this Item 19 presents historical information regarding the actual operating results for our affiliate, SSLLC, which operates one Southern Solar business in the State of Texas, primarily in the Dallas-Fort Worth and Houston markets. The information presented below covers SSLLC's third full year of operations, for the period beginning January 1, 2021 and ending December 31, 2021 (the "Reporting Period"). The area serviced by SSLLC is approximately equivalent to the size of 9 franchised Southern Solar territories ranging in size from approximately 190,000 to 390,000 single family detached homes per territory. We had no franchised locations open during the Reporting Period.

Table B in this Item 19 presents the same categories of historical information regarding SSLLC's performance during the Reporting Period, provided that Table B divides SSLLC's results by 9 in order to provide a presentation of SSLLC's performance when it is broken down into territories that are similar in size to the territories to be sold to our franchisees.

While SSLLC did not pay us royalties, Brand Fund contributions or technology fees, we have included those expenses in the tables below to show how those fees and contributions would have impacted SSLLC's financial performance during the Reporting Period if they had been charged.

The financial information below is from the unaudited books and records of our affiliate. This information has not been independently audited. The notes that follow the tables are an integral part of the information presented in this item and provide information to help you better understand the financial information.

We will make available written substantiation of the data we used in calculating the information contained in this Item 19 upon your reasonable written request.

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

Table A **HISTORICAL INCOME, EXPENSES, AND NET INCOME FOR OUR AFFILIATE, SSLLC** **(January 1, 2021 – December 31, 2021)**	
TOTAL INCOME[(1)]	**$34,994,998**
TOTAL OPERATING EXPENSES & COGS[(3)]	**$27,551,309**
NET INCOME[(4)]	**$7,443,689**
ROYALTY[(5)]	$1,519,800
BRAND FUND & TECHNOLOGY FEES[(6)]	$349,950
TOTAL ROYALTY, BRAND FUND, & TECHNOLOGY FEES[(8)]	**$1,869,750**
NET INCOME AFTER ROYALTY, BRAND FUND, & TECHNOLOGY FEES	**$5,557,939**

Table B **HISTORICAL INCOME, EXPENSES, AND NET INCOME BASED ON 1/9 OF OUR AFFILIATE, SSLLC'S, RESULTS** **(January 1, 2021 – December 31, 2021)**	
TOTAL INCOME[(1)]	**$3,888,333**
TOTAL OPERATING EXPENSES & COGS[(2)]	**$3,061,257**
NET INCOME[(3)]	**$827,076**
ROYALTY[(4)]	$213,858
BRAND FUND & TECHNOLOGY FEES[(5)]	$38,883
TOTAL ROYALTY, BRAND FUND, AND TECHNOLOGY FEES[(6)]	**$252,741**
NET INCOME AFTER ROYALTY, BRAND FUND, AND TECHNOLOGY FEES	**$574,335**

(1) Total Income includes all income received from the sale of solar products and ancillary products sold with solar products (e.g. energy efficient upgrades made to a home as part of a sale of a solar system). All product sales within the Total Income line are products that franchisees will be authorized to offer to their customers. Total Income does not include finance fees that are paid to lenders/finance companies as part of finance offerings made to customers. Finance fees are not actually received by the franchised business and are instead deducted by the lenders/finance companies prior to paying franchisees. For Table A, total finance fees paid by SSLLC during the Reporting Period were $9,675,522. For a business with revenue of the amount reflected in Table B, finance fees paid during the Reporting Period would have been approximately $1,075,058. Royalties, Brand Fund contributions, and technology fees are not calculated or collected on finance fees.

(2) Total Operating Expenses and COGS includes all expenses and costs of goods incurred in operating SSLLC's business, including, but not limited to, payroll costs, rent, utilities, materials and labor on jobs, and any and all other operating expenses and costs of goods incurred by SSLLC.

(3) Net Income was calculated by deducting Total Operating Expenses & COGS from Total Income.

(4) Royalties were not actually paid by SSLLC but are included to show representative royalties for

the revenue reflected in each table. These representative royalties are calculated in the same manner as they would be for a franchised Southern Solar business of equivalent revenue. Royalties are not calculated or collected on finance fees.

For Table A, Royalty is calculated as follows: (Income from $0 to $4,000,000 at 5.5% = $220,000) + (Income from $4,000,001 to $8,000,000 at 5% = $200,000) + (Income from $8,000,001 to $12,000,000 at 4.5% = $180,000) + (Income from $12,000,001 to $34,994,998 at 4% = $919,799) = Royalties of $1,519,800.

For Table B, Royalty is calculated as follows: Total Income of $3,888,333 at 5.5% = $213,858.

(5) Brand Fund & Technology Fees were not actually paid by SSLLC, but are included to show representative Brand Fund & Technology Fees for the revenue reflected in each table. These representative Brand Fund & Technology Fees are calculated in the same manner as they would be for a franchised business of equivalent revenue. Brand Fund and Technology Fees are not calculated or collected on finance fees.

For Table A, Brand Fund & Technology Fees are calculated as follows: Total Income of $34,994,998 at 1% = $349,950

For Table B, Brand Fund & Technology Fees are calculated as follows: Total Income of $3,888,333 at 1% = $38,883.

(6) Total Royalty, Brand Fund, and Technology Fees was calculated by adding Royalty + Brand Fund and Technology Fees.

You are responsible for developing your own business plan for your Southern Solar Business. You should conduct an independent investigation of the costs and expenses you will incur in operating a Southern Solar Business. We recommend that you consult with an attorney and other advisors before signing a Franchise Agreement.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Shane Lynch at 5000 Overton Plaza, Suite 200, Fort Worth, Texas 76109 or (817) 377-6360, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2019 to 2021[(1)]

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned	2019	1	1	0
	2020	1	1	0
	2021	1	1	0
Total Outlets	2019	1	1	0
	2020	1	1	0
	2021	1	1	0

Notes:

1. All numbers are as of our fiscal year end, which ends on December 31st.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table No. 3
Status of Franchised Outlets
For years 2019 to 2021

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
All States	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Totals	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For years 2019 to 2021[(1)]

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
Texas	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Totals	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

Notes:

1. All numbers are as of our fiscal year end, which ends on December 31st.

Table No. 5
Projected Franchise Openings As Of December 31, 2021

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Current Fiscal Year
Texas	0	3	0
Total	0	3	0

The name and business address and telephone number of each of our current franchisees is attached to this Disclosure Document as Exhibit G.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is listed on Exhibit H to this Disclosure Document.

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

No franchisees have signed confidentiality agreements with us during the past 3 years.

As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the Southern Solar franchise system.

ITEM 21: FINANCIAL STATEMENTS

Attached as Exhibit E to this Disclosure Document is our audited opening balance sheet dated as of October 7, 2022, and our unaudited balance sheet dated as of January 31, 2023. Because we have only been offering franchises since November 2022, we do not yet have available all the financial statements that would otherwise be required to be contained in this Disclosure Document. Our fiscal year ends on December 31.

ITEM 22: CONTRACTS

Attached to this Disclosure Document as Exhibit A is a copy of our Franchise Agreement form (with attachments); attached as Exhibit F is our form of General Release; and our Franchisee Disclosure Questionnaire is attached as Exhibit F to our Franchise Agreement form (which is Exhibit A to this FDD).

ITEM 23: RECEIPTS

Attached as the last two pages of this Disclosure Document are duplicate Receipt pages to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

SOUTHERN SOLAR

FRANCHISE AGREEMENT

Ex. A to the Franchise Disclosure Document issued as of: 11/28/2022

SOUTHERN SOLAR
FRANCHISE AGREEMENT

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EXHIBITS

Exhibit A	Owners' Guaranty and Assumption Agreement
Exhibit B	Confidentiality and Noncompetition Agreement
Exhibit C	Franchise Location, Protected Area, and Opening Date
Exhibit D	Ownership and Management Information
Exhibit E	Electronic Funds Transfer Authorization
Exhibit F	Disclosure Questionnaire
Exhibit G	Assignment of Telephone Numbers
Exhibit H	State Specific Addenda

SOUTHERN SOLAR
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into this ___ day of _____, 20__ (the "Effective Date"), by and between Southern Solar Franchise Systems, LLC, a Texas limited liability company having its principal business address at 5000 Overton Plaza, Suite 200, Fort Worth, Texas 76109 ("Franchisor," "we," "us," or "our"), and _____, a _____ _____ having its principal business address at _____ ("Franchisee," "you," or "your").

RECITALS:

We have the right to use, and license the use of, a business system (the "System," as further defined below) for the establishment and operation of a solar power business offering high quality solar panels and related solar power products and services for residential customers (each, a "Southern Solar Business").

Southern Solar Businesses operate under the System and are identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin (the "Marks," as further defined below).

You wish to obtain a franchise to establish and operate a Southern Solar Business using the Marks and the System at the Franchise Location (defined below) specified in Exhibit C to this Agreement.

We are willing to grant you a franchise to do so upon the terms and conditions set forth in this Agreement in reliance on your application and your representations made in the application and in this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

I. DEFINITIONS

"Affiliate" or "Affiliates" of a named person means any person or entity that is controlled by, controlling or under common control with the named person.

"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) addressing or in any way relating to terrorist acts and acts of war.

"Brand Development Fund" or "Fund" means the advertising and marketing fund described in Section IX.C. of this Agreement.

"Business Day" means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

"Computer System" means the computer hardware and software (including, without limitation, back office software meeting our specifications and manufactured by a manufacturer designated in writing by us) and electronic devices that we may designate from time to time for use in the operation of Southern Solar Businesses.

"Confidential Information" means all proprietary and confidential information relating to the establishment and operation of Southern Solar Businesses, including, without limitation: (i) our standards and specifications, including equipment, product, and supplier standards and specifications; (ii) site selection criteria; (iii) any processes, procedures and techniques used in operating a Southern Solar Business; (iv) advertising and marketing plans and programs; (v) research, development and test programs for products, services and operations; (vi) the contents of our Manuals; (vii) knowledge of the operating and financial results of Southern Solar Businesses, other

than your Southern Solar Business; (viii) computer programs and systems, including all customer information, electronic data files and passwords, and (ix) Improvements (as defined in Section XI.D.).

"Control" or "Controlling Interest" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

"Cooperative" means an advertising cooperative, as described in Section IX.B. of this Agreement.

"Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances, war, acts of terrorism, riot, epidemic, fire or other catastrophe or other forces beyond a party's control.

"Franchise Location" means the address of the premises, located by you and accepted by us, at which the Southern Solar Business is located, as listed in Exhibit C to this Agreement.

"General Manager" means any person designated pursuant to Section VII.E.(2) of this Agreement to manage the day-to-day on-site operations of the Southern Solar Business to be operated under this Agreement.

"Gross Sales" is the total selling price of all services and products and all income of every other kind and nature related to the Southern Solar Business, including any amounts received from customers, lenders providing financing to your customers, or other third parties, whether for cash or credit and regardless of collection in the case of credit, and also including any amounts paid by lenders directly to your material suppliers for materials to be used in your work (e.g. solar panels, etc.) regardless of whether those funds are ever in your possession. "Gross Sales" includes: (a) All proceeds from the sale of coupons, gift cards/certificates or vouchers; but when the coupons, gift cards/certificates or vouchers are redeemed, you are not required to count the retail value of the services provided upon redemption in determining Gross Sales for royalty purposes or for other fees calculated in respect of Gross Sales (If you do not record and report sales proceeds for royalty purposes when the coupon, gift card/certificate or voucher is sold, or if coupons, gift cards/certificates or vouchers are distributed free of charge, you will be required to pay royalties based on the retail value of the services provided in exchange for the coupon, gift card/certificate or voucher); and (b) Your share of revenues from any vending machines or other equipment, machines or devices installed in the Southern Solar Business. "Gross Sales" does not include (i) sales taxes you collect from customers of the Southern Solar Business, if the taxes are actually transmitted in a timely manner to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of the Southern Solar Business or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; (iii) returns to shippers or manufacturers; (iv) amounts you receive from a third party lender to the extent that you must simultaneously pay offsetting financing fees to such lender (e.g. if a lender pays you $100,000 and simultaneously charges you a lump sum $25,000 financing fee, then your "Gross Sales" for royalty calculation purposes would be $75,000; and (v) proceeds from isolated sales of trade fixtures not constituting any part of the products and services offered for sale at the Southern Solar Business or having any material effect upon the ongoing operation of the Southern Solar Business.

"Gross Sales Report" means the weekly report, in the form we require, due on the same day as the corresponding royalty payments during the term of this Agreement, itemizing the Gross Sales of the Southern Solar Business for the applicable royalty period.

"Manual" or "Manuals" means our confidential operations manual, which may consist of one or more manuals, containing our mandatory and suggested standards, specifications and operating procedures relating to the development and operation of Southern Solar Businesses and your obligations under this Agreement. The term also includes alternative or supplemental means of communicating information to you, including bulletins, videos, audio tapes, compact discs, CD ROMs and other electronic communications.

"Marks" means the trade names, trademarks, service marks, logos, emblems and other indicia of origin that we have designated, and may hereafter designate, in writing for use in connection with the System, including, but not limited to, the mark "Southern Solar."

"Opening Date" means the date the Southern Solar Business first opens for business to the public.

"Owners" mean those persons and entities which, collectively and individually, hold an ownership interest in you and in any entity directly or indirectly controlling you.

"Principal Owner" means the Owner designated by you and approved by us as meeting our qualifications who is responsible for overseeing the day-to-day operation of the Southern Solar Business.

"Protected Area" means the geographic area assigned to you upon your acquisition of the Franchise Location and described on Exhibit C, within which you will be afforded the protections described in Section II.B. of this Agreement.

"Software Programs" means the proprietary or other software programs we develop or acquire for use by Southern Solar Businesses.

"Southern Solar Business" means the Southern Solar Business operated by you at the Franchise Location pursuant to this Agreement, including all assets used in connection with its operation.

"System" means our comprehensive methods and procedures for the establishment, management and operation of Southern Solar Businesses, including the Confidential Information, our Manuals, proprietary software systems (if any), the Marks and other business standards and policies, the distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; special processes or techniques we have developed; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; any proprietary software systems we may develop, procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop or otherwise modify from time to time.

"Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed by federal tax authorities on our net income.

II. GRANT

A. Grant of Rights. We hereby grant you the right, and you accept the obligation, to establish and operate a Southern Solar Business under the Marks and the System in accordance with this Agreement at the Franchise Location. This Agreement only grants you the right to operate the Southern Solar Business from the Franchise Location (and to provide products and services only within your Protected Area) in accordance with this Agreement and our standards. You are not authorized to offer any of the products and services offered by Southern Solar Businesses at wholesale.

B. Protected Area. Your Protected Area will be described in Exhibit C. Except as provided in Section II.C. and subject to your full compliance with this Agreement and any other agreement between you or your Affiliates and us or our Affiliates, neither we nor any of our Affiliates will establish, or authorize any person or entity other than you to establish, a Southern Solar Business in the Protected Area during the term of this Agreement; provided, however, that our affiliate, Southern Solar, LLC ("SSLLC"), currently operates a Southern Solar business throughout a large portion of the State of Texas, and SSLLC will continue to have the right to service customers located anywhere in the State of Texas.

C. Reserved Rights. The rights granted to you under this Agreement are nonexclusive, and we and our Affiliates have and retain all rights within and outside the Protected Area except those expressly granted to you. Accordingly, we, our Affiliates, and any other authorized person or entity will have the right, among others, (i) to operate, and license others to operate, Southern Solar Businesses at any location outside the Protected Area, including locations that are adjacent to or surrounded by the Protected Area; (ii) within and outside the Protected Area to develop and establish other business systems (including systems that distribute products or services similar to those offered at Southern Solar Businesses) using other names or marks and to grant licenses to others to use those systems; (iii) to advertise and promote the System in the Protected Area; (iv) to acquire, or be acquired by,

any competing system or other third party, including a competing system that has one or more units located within your Protected Area; and (v) except for the restriction in Section II.B. against the establishment of another Southern Solar Business in the Protected Area, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all similar or dissimilar services and products, under the Marks or under other names or marks, within and outside the Protected Area, through any other method of distribution, including, but not limited to, the Internet, regardless of the competitive impact on your Southern Solar Business.

III. SITE SELECTION, CONSTRUCTION AND OPENING DATE

A. Site Selection and Acquisition. You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for your Southern Solar Business. Following your selection and our acceptance of a site for your Southern Solar Business, the Franchise Location will be identified in Exhibit C to this Agreement.

(1) You must identify and secure a site for your Southern Solar Business that meets our minimum standards and is located within your Protected Area. You must find a site within the Protected Area that meets our minimum standards. We must accept the site as meeting our minimum standards before you may begin using such site for your Southern Solar Business. You cannot place a Southern Solar Business at a site we have not first accepted in writing. We do not provide written site selection guidelines or provide any minumum level of site selection assistance, but if we deem it appropriate we may, at our option, assist you in selecting a site that meets our minimum site standards. We will not provide an on-site evaluation for any proposed site.

(2) Before acquiring a site for the Southern Solar Business, you must submit to us, in the form specified by us, a description of the site, evidence satisfactory to us demonstrating that the site satisfies our site selection guidelines, and such other information and materials as we may reasonably require

(3) We shall have fifteen (15) days after receiving all required site information to accept or reject, in our sole discretion, the proposed site as the location for your Southern Solar Business. No site may be used for a Southern Solar Business unless it is first accepted in writing by us, and you shall not make any binding commitment with respect to a site for your Southern Solar Business unless the site is first accepted in writing by us. You acknowledge that our acceptance of a prospective site and the rendering of any assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Southern Solar Business operated at that site will be profitable or otherwise successful.

(4) Promptly following our acceptance of the site for your Southern Solar Business, you shall acquire the site by purchase or lease, at your expense.

(5) After we accept the site and you acquire the site pursuant to this Agreement, the address of the site shall be entered on Exhibit C to this Agreement as the Franchise Location and the Protected Area around the Franchise Location will be described on Exhibit C.

B. Franchise Location; Relocation. You have been granted the right to operate a Southern Solar Business only from the Franchise Location listed in Exhibit C to this Agreement. You must not relocate your Southern Solar Business without our express prior written consent. If you are unable to continue the operation of your Southern Solar Business at the Franchise Location because of the occurrence of an event of Force Majeure or for other reasons not constituting an event of default under this Agreement, you may request our consent to relocate the Southern Solar Business to another location in the Protected Area. Such request must be submitted to us as soon as possible (but in no event longer than 10 days) after the date you discover you will be unable to continue the operation of the Southern Solar Business at the Franchise Location.

C. Licenses; Permits. You are responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of the Southern Solar Business at the Franchise Location, and you must conform the premises as needed to comply with any local ordinances and building codes at your expense.

D. Construction and Finish Out. If applicable, you must obtain, at your expense, all architectural, engineering, design, construction and other services necessary for the construction of the Southern Solar Business.

Any architect(s) and engineer(s) that you may select to assist with the construction of your Southern Solar Business must be approved by us before beginning their work on the Southern Solar Business. We may, but are not obligated to, provide you a list of approved architect(s) and engineer(s).

(1) You must submit any architecture and design plans and specifications to us for review within fifteen (15) days after you receive them. We will notify you of any objections to the plans within fifteen (15) days of receiving them. If we fail to notify you of an objection to the plans within the fifteen (15) day period, you may use the plans. If we object to the plans, we will provide you with a reasonably detailed list of the changes needed to make the plans consistent with our System standards. We will notify you within fifteen (15) days of receiving revised plans incorporating such changes, whether the revised plans are acceptable. If we fail to notify you of any objection within such fifteen (15) day period, you may use the revised plans. You acknowledge that our review of the plans is only for the purpose of determining compliance with System standards, and that our acceptance of the plans does not constitute a representation, warranty, or guarantee, express or implied, that the plans are accurate or free of error concerning their structural application. We are not responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor are we responsible for any errors, omissions, or discrepancies of any nature in the plans.

(2) If applicable, you must promptly commence and diligently pursue construction or renovation of the Southern Solar Business. During construction or renovation, you agree to provide us with such periodic progress reports as we may reasonably request. Within a reasonable time after the date construction or renovation is completed, we will, at our option, conduct an inspection of the completed Southern Solar Business. You must not open the Southern Solar Business for business without our written authorization, which will be conditioned upon your strict compliance with this Agreement.

E. Opening Date. You must open the Southern Solar Business and commence business within one hundred eighty (180) days after the Effective Date of this Agreement, unless you obtain a written extension of such time period from us. You acknowledge that time is of the essence. Before the Opening Date, you must complete initial training. If you fail to comply with any of these obligations, we have the right to prohibit you from opening the Southern Solar Business. Your failure to timely open the Southern Solar Business in compliance with these provisions will be deemed a material event of default under this Agreement.

IV. TERM AND RENEWAL

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue until ten (10) years from the Opening Date.

B. Renewal. You may, at your option, renew your rights under this Agreement for three (3) additional terms of ten (10) years, subject to any or all of the following conditions which must, at our option, be met prior to and at the time of renewal:

(1) You must give us written notice of your election to renew not less than six (6) months nor more than nine (9) months before the end of the initial term;

(2) You must refurbish, repair or replace, at your expense, all equipment, Computer Systems, vehicles, signs, interior and exterior decor items, fixtures, furnishings, supplies and other items required for the operation of the Southern Solar Business as we may reasonably require and must otherwise upgrade the Southern Solar Business to reflect the then-current standards and image of the System;

(3) You must not be in default of this Agreement, neither you nor your Affiliates may be in default of any other agreement with us or any of our Affiliates; and you and your Affiliates shall have substantially and timely complied with the terms and conditions of such agreements during their respective terms;

(4) You must have timely satisfied all monetary obligations owed to us and our Affiliates under this Agreement and any other agreement between you or any of your Affiliates and us or any of our Affiliates;

(5) You must present evidence satisfactory to us that you have the right to remain in possession of the Franchise Location during the entire renewal term or obtain our consent to a new site for the Southern Solar Business;

(6) You must execute our then-current form of renewal franchise agreement, which will supersede this Agreement in all respects, and the terms of which may materially differ from the terms of this Agreement, except that the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees;

(7) You and your Owners must execute a general release of any and all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders;

(8) You must pay us a renewal fee of Five Thousand Dollars ($5,000); and

(9) You must comply with our then-current qualification and training requirements.

V. FEES

A. Initial Franchise Fee. You agree to pay us an initial franchise fee, calculated as set forth in this Section V.A., upon the execution of this Agreement. The initial franchise fee shall be deemed fully earned and nonrefundable upon receipt by us and shall be calculated as follows:

(1) $65,000 if your Protected Area includes between 160,000 and 220,000 detached single family homes;
(2) $75,000 if your Protected Area includes between 220,001 and 280,000 detached single family homes;
(3) $85,000 if your Protected Area includes between 280,001 and 340,000 detached single family homes; and
(4) $95,000 if your Protected Area includes between 340,001 and 400,000 detached single family homes.

B. Royalty Fee. During the term of this Agreement, you agree to pay us continuing weekly royalty fees in an amount equal to (a) 5.5% of your Gross Sales for all sales up to $4,000,000 each calendar year; (b) 5% of your Gross Sales for all sales from to $4,000,001 to $8,000,000 each calendar year; (c) 4.5% of your Gross Sales for all sales from to $8,000,001 to $12,000,000 each calendar year; and (d) 4% of your Gross Sales for all sales from $12,000,001 and beyond each calendar year. Notwithstanding the foregoing, you will only qualify for a reduced royalty rate beginning in the week after you surpass the Gross Sales level at the high end of the prior sales bracket. For example, if you surpass the $4,000,000 Gross Sales threshold during a week ended on October 30th (and your annual Gross sales total is $4,023,967 at the end of such week), then you will pay us royalties equal to 5.5% for all amounts up to $4,023,967, and you will begin paying the reduced royalty rate of 5% on Gross Sales received during the week beginning October 31st. Royalty rates will reset to 5.5% of Gross Sales at the beginning of each calendar year. Royalty payments are currently due each Tuesday for royalties accrued during the prior work week, which begins on Monday and ends on the following Sunday. You must pay the royalty fees via electronic funds transfer, or any other means we reasonably specify. The royalty fees are currently due on Tuesday of each week (provided that if the date on which a royalty payment would otherwise be due is not a Business Day, then payment shall be due on the next Business Day), but we may change the royalty payment date after providing at least 30 days of notice to you. On each royalty due date during the term of this Agreement, you must provide a Gross Sales Report to us for the applicable royalty period.

C. Technology Fees. Throughout the term of this Agreement, you must pay us weekly technology fees in an amount equal to 0.5% of your Gross Sales (payments are currently due each Tuesday for technology fees accrued during the prior work week, which begins on Monday and ends on the following Sunday). You must pay the technology fees via electronic funds transfer, or any other means we reasonably specify. The technology fees are currently due on Tuesday of each week (provided that if the date on which a technology fee would otherwise be due is not a Business Day, then payment shall be due on the next Business Day), but we may change the technology fee payment date after providing at least 30 days of notice to you.

D. Other Fees and Payments. In addition to the initial franchise fee and weekly royalty payments, you must pay when due all other fees or amounts described in this Agreement and in any other agreement between you and us or our Affiliates.

E. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by us on or before the applicable due date will be deemed past due. All past due obligations under this Agreement will bear interest from the date due until paid at the lesser of eighteen percent (18%) per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment. You also agree to pay us a late payment fee equal to $100 for each delinquent payment under this Agreement.

(2) Our acceptance of any payments delivered subsequent to the applicable due date shall not be deemed to be a waiver by us of any preceding breach by you or your Owners of any terms, provisions, covenants or conditions of this Agreement.

(3) We have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may accept any check or payment in any amount from you without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) You have no right to withhold any payments due to us on account of our breach or alleged breach of this Agreement, and no right to offset any amount due to us against any obligation that we may owe to you.

(5) Each payment to be made to us shall be made free and clear and without deduction for any Taxes.

F. Electronic Funds Transfer. You agree to execute Exhibit E to this Agreement and all other documents necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer ("EFT") in the amount of the royalty fee, the Brand Development Fund contribution (described in Section IX.C.), and any other amounts due under this Agreement at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales will be based on the information we obtain pursuant to Section XII.C. of this Agreement or the Gross Sales Report. If we have not received a Gross Sales Report within the time period required by this Agreement, then we may process an EFT for the applicable royalty period based on the most recent Gross Sales Report provided to us by you; provided, that if a Gross Sales Report for the applicable royalty period is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then we will be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then we will credit the excess amount to the payment of your future obligations. Should your bank fail to honor any EFT for any reason, you agree that you will be responsible for promptly delivering such payment directly to us and reimbursing us for any service charge or other costs or expenses we incur. If any payments are not received when due, interest may be charged in accordance with Section V.E. Upon written notice to you, we may designate another method of payment. You agree that you will not change banks or bank accounts without providing us at least 10 days' prior written notice.

G. Annual Conference Fees. You must pay our then-current registration fees for our annual franchise conference, which we may host at a location selected by us. If we schedule an annual franchise conference, you must attend. If you do not attend, you will still be required to pay us registration fees for one person (up to a maximum of $1,000) plus a $500 fee for your failure to attend. We may increase this fee from time to time upon 30 days' written notice to you.

H. Southern Solar Web App Fees. We may, at our option, develop and implement a proprietary web app that will assist you with operating your Southern Solar Business. If such app is implemented by us, you will be required to download it and use it on a daily basis and pay us reasonable periodic fees for such use. We may implement or increase such fees upon 30 days' written notice to you.

I. Telephone Service Fees. You must use our required telephone services, and you must pay us (or our designated third party vendor) fees in the amount of approximately $83 per month for such services. We may increase such fees upon 30 days' written notice to you.

J. Telemarketing Leads Fees. You must participate in our required telemarketing programs, and you must pay us (or our designated third party vendor) fees in the amount of approximately $100 for each lead generated for your Southern Solar Business. We may increase such fees upon 30 days' written notice to you.

VI. OUR OBLIGATIONS

We agree to provide the following services or cause them to be provided to you:

A. Manuals. Access to one (1) set of the Manuals (in electronic format only), which we may amend from time to time at our sole discretion upon written notice to you.

B. Training. An initial training program for your Principal Owner (and General Manager or other employees, if applicable) and additional training programs in accordance with Section VIII.A. Upon your reasonable request or if we determine it to be necessary during the term of this Agreement, on-site remedial training; provided, that remedial training will be conducted subject to the availability of our personnel, and provided further, that we may require you to pay the daily fee we are then charging for remedial training (currently $500 per trainer per day), and pay or reimburse us for all expenses incurred by our representatives, including the costs of travel, lodging, and meals.

C. On-site Operational Assistance. Such on-site operational assistance as we reasonably deem necessary. Within a reasonable time after the opening of your Southern Solar Business (within 2 to 4 weeks after you begin operations), one or more of our representatives shall provide on-site operational assistance to you at your Southern Solar Business for up to two (2) days, as we reasonably deem necessary. If you have previously opened a Sothern Solar Businss we may, at our option, choose not to provide you with on-site operational assistance in connection with the opening of your second or subsequent Southern Solar Business.

D. Software Programs. For a reasonable fee, any Software Programs (including web applications) that we acquire or develop for use in the System; provided, that we are under no obligation to develop or acquire such Software Programs.

E. Inspections. Inspections of the Southern Solar Business and evaluations of the products sold and services offered and sold at and from the Southern Solar Business from time to time as reasonably determined by us.

F. Advertising. Administration of a Brand Development Fund in accordance with Article IX. We may also provide to you, at a reasonable cost, any advertising and promotional materials we may develop from time to time for use in marketing and promoting Southern Solar Businesses.

G. Operational Advice. Advice and written materials concerning techniques for managing and operating Southern Solar Businesses, including new developments and improvements in the System.

H. Collateral Merchandise; Equipment; Décor Items. From time to time in our discretion and at a reasonable cost, certain merchandise identifying the System, such as clothing other System memorabilia, in sufficient amounts to meet customer demand, and/or certain equipment, décor items or other products and services.

I. Approved Suppliers. From time to time as we deem appropriate, a list of approved suppliers.

VII. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Your Investigation of this Franchise.

(1) You acknowledge having received our franchise disclosure document (a) at least fourteen (14) days before signing a binding agreement or making any payment to us, or (b) if applicable, by the time required by your state's law as specified in the Disclosure Questionnaire attached hereto as Exhibit F. You acknowledge that this Agreement contains no changes from the form of franchise agreement attached to our franchise disclosure document other than changes made with your knowledge and pursuant to negotiations between you and us. You further acknowledge that you have read this Agreement and our franchise disclosure document and that you understand the terms of this Agreement and accept them as being reasonably necessary for us to maintain the uniformity of Southern Solar Businesses and to protect the goodwill of the Marks and the integrity of the System.

(2) You have conducted an independent investigation of the business contemplated by this Agreement and recognize that an investment in a Southern Solar Business involves business risks; that your success is largely dependent on your own abilities and efforts; and that the nature of Southern Solar Businesses may change over time. You have not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits or success of the business contemplated by this Agreement.

(3) You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement.

(4) Whenever we have expressly reserved in this Agreement, or are deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including, without limitation, our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or the action we take promotes our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

B. Your Organization. If you are a corporation, partnership, limited liability company or other legal entity:

(1) You are duly organized and validly existing under the law of the state of your formation;

(2) You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification;

(3) Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of Southern Solar Businesses. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any business (other than a Southern Solar Business or other business licensed by us or our affiliate) that is the same as or similar to a Southern Solar Business (including any business that offers solar panels, solar power products, or any related services or products);

(4) The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized; and

(5) You have provided to us prior to the execution of this Agreement, and will from time to time during the term of this Agreement at our request provide to us, copies of your articles of incorporation and bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of your stock or other ownership interests and any other documents that we may reasonably request.

C. Your Owners.

(1) If you are a corporation, partnership, limited liability company or other legal entity, the ownership interests in you are accurately and completely described in Exhibit D. You agree to maintain at all times a current list of all your Owners and to make your list of Owners available to us upon request.

(2) If you are a corporation, you agree to maintain stop-transfer instructions against the transfer on your records of any of your equity securities and to conspicuously endorse each stock certificate with a statement, in a form satisfactory to us, that it is held subject to all restrictions imposed upon assignments by this Agreement. If you are a partnership or limited liability company, your written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) Unless otherwise agreed in writing by us, you must cause each of your Owners to execute the Guaranty and Assumption Agreement attached as Exhibit A to this Agreement, jointly and severally guarantying your performance under this Agreement and otherwise binding themselves to the terms of this Agreement as stated therein.

D. Your Financial Covenants.

(1) You have provided to us your most recent financial statements. These financial statements present fairly your financial position at the dates indicated therein and the results of your operations and cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) At our request, you agree to provide us with any and all loan or other documents regarding the financing of the Southern Solar Business.

(3) You agree to maintain at all times during the term of this Agreement sufficient working capital to fulfill your obligations under this Agreement.

E. Your Management.

(1) You agree to designate upon the execution of this Agreement, and to retain at all times during the term of this Agreement, an individual to serve as your Principal Owner. The Principal Owner must meet our qualifications and must be approved by us. Unless a separate General Manager is approved by us as described in Section VII.E(2), your Principal Owner must devote full time and best efforts to the direct supervision of the Southern Solar Business(es) operated by you and your Affiliates. Without our written consent, your Principal Owner shall not engage in any business other than the operation of your Southern Solar Business(es). Your Principal Owner and any General Manager whom we approve must be empowered with full authority to act for you.

(2) You agree to designate not later than ninety (90) days before the Opening Date and to retain at all times during the term of this Agreement a General Manager who meets our qualifications to supervise the operation of your Southern Solar Business. Your Principal Owner is required to serve as your General Manager for at least 12 months after you begin operations, and your Principal Owner may serve as the General Manager beyond such 12-month period at your discretion, provided that he or she may not serve as the General Manager for more than one Southern Solar Business at the same time. Subject to our written consent, you may elect to designate

an individual other than your Principal Owner for the position of General Manager. Your General Manager must devote full time and best efforts to the supervision of the Southern Solar Business operated by you and your Affiliates and, without our written consent, shall not engage in any other business. You acknowledge and agree that the appointment of a General Manager will not relieve your Principal Owner of his or her supervisory responsibilities for the operation of your Southern Solar Business. You and your Principal Owner shall remain fully responsible for your General Manager's performance. Each Southern Solar Business must have a different General Manager.

(3) You shall inform us in writing if you appoint any assistant managers for your Southern Solar Business. The assistant managers, if applicable, shall meet our qualifications, shall devote full time and best efforts to the day-to-day operation and management of the Southern Solar Business and shall not engage in any other business activity without our prior written consent.

(4) The names of your Principal Owner and General Manager shall be listed in Exhibit D to this Agreement, and you agree to keep such information current at all times during the term of this Agreement. You must promptly notify us in writing if your Principal Owner or General Manager cannot continue or no longer qualifies to serve in that capacity and must take corrective action acceptable to us within thirty (30) days after any such notice. During such thirty (30) day period, you must provide for interim management of your operations in accordance with this Agreement. Any failure to comply with this Section VII.E. will be a material breach of this Agreement.

F. Legal Compliance. In addition to complying with your obligations under this Agreement, you agree to comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement. Without limiting the foregoing, you certify that neither you nor any of your Owners, employees or anyone associated with you is listed in connection with any Anti-Terrorism Law and you agree not to hire or have any dealings with a person so listed. You further certify that you have no knowledge or information that, if generally known, would result in you, your Owners, employees, or anyone associated with you being so listed. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, you represent and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners are not otherwise in violation of any of the Anti-Terrorism Laws. You also agree to comply with all payment card infrastructure ("PCI") industry and government security standards and requirements designed to protect cardholder data. PCI standards apply to both technical and operational aspects of credit card and other payment card transactions and apply to all organizations which store, process or transmit cardholder data. You acknowledge and agree that you shall be solely responsible for any costs, expenses, damages or other liabilities incurred by you or us as a result of, or in connection with, your failure to comply with any PCI standards.

G. Powers of Attorney. You hereby appoint us as your true and lawful attorney-in-fact, with full power and authority (i) to assign to us upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Southern Solar Business, any related business listings, and all rights to any website listings or services, search engines or systems, and any other business listings related to the Southern Solar Business and (b) at our option, your interest in any lease for the Franchise Location and any equipment used in the operation of the Southern Solar Business; (ii) to obtain any and all returns and reports related to the Southern Solar Business that you file with any local, state or federal taxing authority, and (iii) to obtain any and all reports from any vendors and finance companies that we determine, in our sole discretion, are necessary or helpful to us assisting you and/or managing the System. Such powers of attorney shall survive the expiration or termination of this Agreement, and you agree to execute such forms and documents as we deem necessary to appoint us your true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

H. Continuing Obligations. You and you Owners make the foregoing representations, warranties and covenants understanding that such representations, warranties and covenants are continuing obligations. You agree to cooperate with us to verify your and your Owners' continuing compliance with such representations, warranties and covenants. Any failure to comply with these representations, warranties and covenants will constitute a material event of default under this Agreement.

I. Warranties to Your Customers on All Products and Services. You must provide all of your customers with a full warranty (for both products and services) on all residential solar installations provided by your Southern Solar Business as is consistent with our Operations Manual, which currently requires that you provide your customers with a warranty for the greater of: (i) 25 years from the system installation date for any work performed by you at any location, or (ii) for the time period required by state law for any work performed by you. You must pay for all costs associated with servicing any warranty claim made by any of your customers. This provision survives termination of this Agreement.

VIII. OPERATIONS

A. Training. Your Principal Owner and General Manager (if different from the Principal Owner) must successfully complete our initial management training program to our satisfaction at least one week prior to the opening of your Southern Solar Business. In addition, at least two of your sales people must attend the sales portion of our initial training program, and at least two of your administrative employees must attend the administrative portion of our initial training program. Any successor or replacement Principal Owner or General Manager must successfully complete our management training program within a reasonable time after such persons are designated, provided that each successor or replacement must successfully complete training no more than thirty (30) days after the date on which his or her predecessor ceased to be employed by you (or ceased to serve as Principal Owner, as applicable). If the Southern Solar Business operated under this Agreement undergoes a transfer of ownership, the new Principal Owner (and the General Manager if different from the Principal Owner) must attend and complete our initial management training program to our satisfaction no later than 30 days from the date of such transfer. These persons, and any of your other personnel whom we may designate, must attend and complete any additional training that we may require from time to time. In addition, we may, at our option, conduct periodic franchisee conventions at a location designated by us, and your Principal Owner and/or General Manager must attend such conventions. Initial management training for your Principal Owner and General Manager (if different from the Principal Owner) is provided at our offices in Fort Worth, Texas (or other location(s) we designate) at no charge; however, we reserve the right to charge a reasonable fee for training any additional persons (a daily rate of up to $500 per person), including any successor or replacement personnel, and for any additional training programs. Such additional training shall be conducted at locations we designate. You are responsible for any and all expenses incurred in connection with any initial or additional training and attendance at any franchisee conventions, including, without limitation, the costs of travel, lodging, meals and wages incurred by you and your personnel. If any Principal Owner or General Manager fails, in our sole judgment, to satisfactorily complete our management training program, and you fail to cure such default within ninety (90) days following written notice from us, we may terminate this Agreement. Upon successful completion of our initial training program, your Principal Owner shall be responsible for training all new employees of your Southern Solar Business; provided, however, that we reserve the right to test any employees trained by your Principal Owner and to require any of your employees to successfully complete additional training programs conducted by us from time to time.

B. Standards Compliance. You acknowledge the importance of maintaining uniformity among all of the Southern Solar Businesses and the importance of complying with all of our standards and specifications relating to the operation of the Southern Solar Businesses. To protect the reputation and goodwill of the System and to maintain high standards of operation under the Marks, you agree to conduct your business in accordance with the Manuals, other written directives which we may issue to you from time to time, and any other manuals and materials created or approved for use in the operation of Southern Solar Businesses.

C. Maintenance of the Southern Solar Business. You agree to maintain the Southern Solar Business in a high degree of sanitation and repair, and to make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, décor, vehicles and equipment (including, but not limited to, Computer Systems) as we may reasonably direct. You also agree to obtain, at your expense, any new or additional equipment (including, but not limited to, point of sale or Computer Systems), vehicles, fixtures, supplies and other products and materials which we may reasonably require for you to offer and sell new services or products from the Southern Solar Business or to provide such services or products by alternative means. No alterations, improvements or changes of any kind in design, equipment, signs, vehicles, interior or exterior decor items, fixtures or furnishings shall be made in or about the Southern Solar Business without our prior written approval.

D. Upgrade of the Southern Solar Business. Promptly upon our request, you must make improvements, renovations, updates and upgrades to the Southern Solar Business to conform it to our then-current standards and specifications. Without limiting the foregoing, you agree that, if we request, you will make any capital improvements required by this Section VIII.D. on or after the third anniversary of the Opening Date, or at such other time during the term of this Agreement that a majority of the Southern Solar Businesses then operated by us or our Affiliates have made or are utilizing best efforts to make such improvements.

E. Sourcing.

(1) You agree to comply with all of our standards and specifications for the purchase of all inventory, supplies, materials, fixtures, furnishings, equipment, Computer Systems, and other products used or offered for sale at the Southern Solar Business. If we have approved or designated suppliers (which may include us or our Affiliates or third party manufacturers, distributors and other sources) for any such item, you agree to obtain these items from those suppliers. Our approved or designated suppliers are those who demonstrate on a continuing basis the ability to meet our standards and specifications; who have adequate quality controls and the capacity to supply the needs of the Southern Solar franchise network promptly and reliably over an extended period of time; and who have been approved in writing by us and who have not thereafter been disapproved by us. We may designate ourselves, our Affiliates or a third party as an approved or designated supplier, or as the sole approved or designated supplier of any item. You agree that we and our Affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for products and services we or our Affiliates provide to you and from payments made to us or our Affiliates by suppliers that we designate or approve for some or all of our franchisees), and that you may be required to purchase minimum quantities of products based on the number of products and services that your Southern Solar Business is providing.

(2) If you wish to use any item or service that we have not yet evaluated or (for items that we require you to purchase from designated or approved suppliers) if you wish to purchase or lease any such item from a supplier that we have not yet approved, you must submit a written request for approval to us. You cannot purchase or lease any such item unless the supplier has been approved in writing by us. We are not required to approve any particular supplier. We will have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to send our representatives to inspect the supplier's facilities and to have samples from the supplier be delivered to us or to an independent laboratory designated by us for testing. You or the proposed supplier will be required to pay for the cost of the inspection and the test (including our administrative expenses) and reimburse us for any costs or expenses we incur in connection with the evaluation of your proposed supplier. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We reserve the right to re-inspect from time to time the facilities and products of any approved supplier and to revoke our approval of the supplier if the supplier fails to continue to meet any of our criteria. If we revoke our approval of any supplier, you agree to promptly discontinue use of that supplier. Your failure to comply with the provisions of this Section VIII.E. shall be deemed a material breach under this Agreement.

F. Operational Requirements. You agree to operate the Southern Solar Business in full conformity with our methods, standards and specifications as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, you agree:

(1) To sell or offer for sale all products and services we require using the method and manner of distribution we prescribe. Distribution methods must be expressly authorized by us in writing in the Manuals or otherwise;

(2) To sell and offer for sale only the products and services that we have expressly approved for sale in writing; to discontinue selling and offering for sale any products or services and any method or manner distribution which we may disapprove in writing at any time;

(3) To maintain in sufficient supply and to use and sell at all times only those items, products, materials, and supplies that conform to our standards and specifications; to conduct all services in accordance with our standards, specifications and procedures; to use the brand and/or type of products we require;

and to refrain from deviating from our standards and specifications by using or offering non-conforming items or services without our prior written consent;

(4) To permit us or our agents, at any reasonable time, to remove samples of any items from the Southern Solar Business, without payment, in amounts reasonably necessary for testing to determine whether such samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications;

(5) To purchase or lease and install, at your expense, all fixtures, furnishings, equipment, Computer Systems, decor items, signs, and related items that we may reasonably direct from time to time; and to refrain from installing or permitting to be installed in or about the Southern Solar Business, without our prior written consent, any fixtures, furnishings, equipment, decor items, signs, vending machines or other items not previously approved as meeting our standards and specifications;

(6) To grant us and our agents the right to enter the Southern Solar Business at any reasonable time to conduct inspections; to cooperate with our representatives conducting the inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents (and without limiting our other rights under this Agreement), to take any and all steps that may be necessary to correct promptly any deficiencies detected during an inspection. If you fail for any reason to correct such deficiencies within a reasonable time, as determined by us, we will have the right and authority (but no obligation) to correct the deficiencies and to charge you a reasonable fee, payable on demand, for our expenses in taking the corrective action (including, without limitation, any necessary re-inspection);

(7) To at all times operate your Southern Solar Business under the direct, on-site supervision of at least one person who has successfully completed our management training program pursuant to Section VIII.A of this Agreement; to at all times maintain a competent, conscientious, trained staff and to take any and all steps necessary to ensure that your employees preserve good customer relations and comply with any dress code we may prescribe;

(8) To only install and offer at the Southern Solar Business such equipment, machines, games and activities (such as vending machines or other devices) as we have expressly approved in the Manuals or otherwise in writing; and

(9) To keep the Southern Solar Business open and in operation for the days and hours that we may from time to time prescribe.

G. Computer Systems. You agree to use the Computer System (if any) that we specify from time to time for use in the operation of the Southern Solar Business. You acknowledge that we may modify the specifications and the components of any such Computer System from time to time. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including, without limitation, a license to use Software Programs developed by us or others. Changes to the Computer System specifications may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the term of this Agreement. You acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to you of obtaining the Computer System (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur such costs. Within sixty (60) days after you receive notice from us, you agree to obtain the components of the Computer System that we require. You further acknowledge and agree that we have the right to charge a reasonable systems fee for any software or systems modifications and enhancements specifically made for us that are licensed to you and other maintenance and support services that we or our Affiliate may furnish to you.

H. Customer Complaints and Our Right to Complete Work, Refund Customers and Suspend Your Use of Marks. You agree to process, handle and promptly resolve all consumer complaints connected with or relating to the Southern Solar Business, and to promptly notify us of all safety or health violations or allegations of such violations, claims exceeding One Thousand Dollars ($1,000), and any other material claims against or losses suffered by you. You also agree to maintain, and to promptly notify us of, any communications with governmental

authorities affecting the Southern Solar Business during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof. In the event that you fail to promptly cure any customer complaint to the customer's satisfaction, we shall have the right, but not the obligation, to complete any work that you have undertaken, refund any funds received by you from your customers or other parties, and suspend your right to use the Marks, without terminating this Agreement, in accordance with the following provisions:

(1) In the event that you accept money from a customer (whether received from the customer directly, from an insurance carrier, from a finance company, lender, or from any other party), and you do not complete the work for which the funds were advanced to your customer's satisfaction or refund the funds allocable to the incomplete work within a reasonable time (as determined in our sole discretion), you will have 10 days from the date of our issuance of a written notice of default to complete the work to the customer's satisfaction or refund the funds allocable to the incomplete work to the party that advanced such funds to you. If you fail to complete the work to your customer's satisfaction or refund the funds allocable to the incomplete work within the applicable 10-day period, we may, in our sole discretion: (a) complete the work, (b) refund the funds allocable to the incomplete work to the party that advanced such funds to you, (c) take other related actions as we deem appropriate under the circumstances, or (d) take no action. If we perform any work for your clients you must promptly reimburse us for all of our costs and expenses incurred in completing such work, and if we refund money to a customer or other party you must reimburse us for the amount that we refunded to the client or such other party; and

(2) In the event that: (a) you express to us a desire to close the Southern Solar Business and terminate or otherwise discontinue this Agreement (or we otherwise reasonably believe you intend to close the Souther Solar Business), or (b) you accept money from a customer (whether received from the customer directly, from an insurance carrier, from a finance company, lender, or from any other party) and do not complete the work for which the funds were advanced to your customer's satisfaction or refund the funds allocable to the incomplete work within a reasonable time (as determined in our sole discretion) and you do not cure the default by completing the work to your customer's satisfaction or refunding the funds as set forth in the preceding section within the 10-day period, we may, in our sole discretion, suspend your right to use the Marks or the System, including, but not limited to, use in advertising, promotional, and sales activities, and we may suspend your access to, and participation rights in, the Southern Solar website, any intranet/extranet system or application we develop, and/or any Interactive Media relating to your Business. In the event that we suspend your right to use the Marks, the System or other privileges, such suspension shall last until the later of the date on which: (1) you complete the work to your customer's satisfaction or refund the funds allocable to the incomplete work to the party that advanced such funds, (2) you reimburse us for any work that we completed or funds that we refund on your behalf pursuant to this section and the two preceding sections, or (3) we determine, in our sole discretion, that you intend to continue operating the Southern Solar Business and comply with all terms of this Agreement.

I. Internet Website. You agree to install and maintain all hardware and software needed to access the Internet at the bit speed we require from time to time. You further agree that you will not establish any website or other account or listing on the Internet except as provided herein.

(1) Without our prior written approval, which we may give or withhold in our sole discretion, you may not develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to the Internet, bulletin boards and news groups) in connection with the Southern Solar Business. If we grant our approval for your use of an Internet website, you acknowledge that the form, content and appearance of any Internet website you use must comply with the System standards and must be approved by us in writing before being used. Accordingly, you agree that you have no authority to, and you will not, establish any website that creates any association with the Marks or the System, or post any advertisements, messages or materials on the Internet (including, but not limited to, social media websites such as Facebook, Instagram and Twitter) that depict or display the Marks or suggest an association with the System, without our express prior written consent. Without limitation of the foregoing, if we require, any Internet website created by or for you must contain a hypertext link to

our Internet website in the form we require, and no other hypertext links to third party Internet websites unless previously approved in writing by us. Notwithstanding our approval of a website, we reserve the right to revoke our approval at any time that the website fails to continue to meet our standards, and you agree that upon such revocation, you will immediately discontinue use of the website.

(2) You agree that you have no authority to, and you will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the System without our express prior written consent. You must obtain our written approval for your domain name prior to use. Your domain name must be registered in our name and licensed to you by us. On termination or expiration of this Agreement, the license of the domain name to you will automatically terminate and you agree to undertake all such actions that we require to disassociate yourself with the domain name.

(3) We may establish an Internet website that provides information about the System and the products and services offered by Southern Solar Businesses. If we establish an Internet website, we will have sole discretion and control over the website, including timing, design, contents and continuation. We may include at the website interior pages containing information about our franchisees' Southern Solar Businesses, and we may require you to prepare all or a portion of the page for your Southern Solar Business, at your expense, using a template that we provide, with all such information subject to our approval prior to posting. We may use Brand Development Fund monies to establish and maintain the website.

(4) We also have the sole right (but no obligation) to develop an Intranet through which we and our franchisees can communicate by e-mail or similar electronic means. If we develop an Intranet, you agree to participate in strict compliance with our standards, protocols and restrictions, including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. We may, in our sole discretion, charge a reasonable fee for Intranet usage, which you agree to pay in accordance with our invoice.

J. Business Licenses. You agree to secure and maintain, at your sole cost, any and all state, county, and/or local business licenses required for the operation of the Southern Solar Business.

K. Prices of Products Sold at Your Southern Solar Business. We may from time to time establish maximum, minimum or other pricing requirements for the products and services to be sold at your Southern Solar Business to the fullest extent allowed by law.

IX. ADVERTISING

A Local Advertising. Recognizing the value of advertising and marketing to the goodwill and public image of Southern Solar Businesses, you agree to spend at least $5,000 per month on advertising and promotion of your Southern Solar Business in the Protected Area, and at least Fifty Percent (50%) of such expenditures must be used for telemarketing services approved by us. In our sole discretion, we may increase the amount you must spend on local marketing in the Protected Area upon not less than thirty (30) days' written notice to you. At our request, you must submit to us a report (including substantiating receipts) detailing your local advertising expenditures during the time period specified in the request. In addition, we have the right to review your books and records from time to time to determine your expenditures for local advertising and promotion. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts to us to apply to local advertising in the Protected Area.

B. Cooperatives. We have the right, but not the obligation, to designate any geographic area in which two (2) or more company-owned or franchised Southern Solar Businesses are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). If we do, each Cooperative will be organized and governed as, and will begin operation on a date, we determine. Furthermore, we may modify or dissolve any Cooperative in our sole discretion from time to time upon written notice to the Cooperative members, and we may designate that specific vendors be used by any Cooperative. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area that includes all or part of the Protected Area, you will be required to contribute at least $500 per

month to the Cooperative, and you must execute the applicable Cooperative documents promptly upon our request and participate as a member of the Cooperative. Among other things, this means that (i) you must submit to the Cooperative and to us all statements and reports that we or the Cooperative may require, and (ii) you must contribute to the Cooperative the amounts required by the Cooperative's governing documents; provided, that your Cooperative contribution will be applied to satisfy a portion of your local advertising requirement under Section IX.A. Your required contributions to a Cooperative will not exceed your individual local advertising requirements set forth in Section IX.A.

C. Brand Development Fund. We may, at our option, establish a marketing and advertising program fund (the "Brand Development Fund" or "Fund") to promote the Southern Solar brand. You agree to make weekly contributions to the Fund in an amount equal to one-half of one percent (0.5%) of your Gross Sales. Your required contributions to the Fund are in addition to amounts you are required to spend for local advertising under Section IX.A. Fund contributions will be due and payable at the same time and calculated in the same manner that royalty fee payments are due and payable.

(1) We will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation thereof. You agree that the Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national, regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; the cost of developing and maintaining an internet website and enhancing search engine optimization; developing and maintaining gift card, membership and other customer loyalty programs; supporting public relations, market research and other advertising, promotion and marketing activities; and to enhance, promote, and protect the Southern Solar brand or the System.

(2) The Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the Fund. We may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Southern Solar Businesses to the Fund in that year, and the Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay advertising costs before other assets of the Fund are expended. We will prepare an annual unaudited statement of monies collected and costs incurred by the Fund and furnish the statement to you upon written request. We have the right to cause the Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified herein. Southern Solar Businesses owned by us and our Affiliates may, but are not required to, contribute to the Fund on the same basis as a franchisee under the terms of a standard franchise agreement for a Southern Solar Business.

(3) You acknowledge that the Fund is intended to maximize recognition of the Marks, patronage of Southern Solar Businesses, and to enhance, promote, and protect the Southern Solar brand or the System. Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs that will benefit all Southern Solar Businesses, we undertake no obligation to ensure that expenditures by the Fund in, or affecting, any geographic area are proportionate or equivalent to the contributions to the Fund by Southern Solar Businesses operating in that geographic area or that any Southern Solar Business will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. We may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a website for Southern Solar Businesses. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Fund.

(4) We reserve the right, upon thirty (30) days' prior written notice to you, to defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate such contributions) and to suspend operations of, the Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Fund. If the Fund is terminated, all unspent monies on the date of termination will be distributed to the contributors

to the Fund in proportion to their respective contributions to the Fund during the preceding twelve (12) month period.

(5) We may, in our discretion and business judgment, use the Fund to directly or indirectly place advertising in your local or regional market; however, we may also use the Fund to create and prepare marketing materials or advertising programs that will be provided to you so that you may directly place or implement such materials or programs in your local or regional market. Any amounts that you spend to place or implement advertising created by the Fund in your local or regional market will be credited towards your local advertising obligations under Section IX.A. above.

(6) We may spend up to 20% of the annual deposits into the Brand Development Fund each year on expenses related to selling and advertising the sale of franchises. However, beginning on January 1st of the year following the date on which we have 100 open and operating franchisees, we may no longer spend money from the Brand Development Fund on expenses related to selling and advertising the sale of franchises, except that we may continue to used Brand Development Fund monies on public relations or recognition of the Southern Solar brand and creation and/or maintenance of our web site, a portion of which will focus on our franchise offering.

D. Promotional Programs. We may, from time to time in our sole discretion, develop and administer advertising and sales promotion programs designed to promote all Southern Solar Businesses. We will be responsible for the design and administration of such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies. If we do establish these programs, you agree to participate in them in accordance with the terms and conditions we establish. The standards and specifications we establish for such programs shall be final and binding upon you.

E. Advertising Standards. You agree that any advertising, promotion and marketing you conduct, whether required by this Agreement or voluntarily undertaken by you, will be completely clear and factual and not misleading and will conform to the highest standards of ethical marketing and the promotion policies that we prescribe from time to time. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least fifteen (15) days before you use them or deliver them to a third party for use in any advertisement. If you do not receive written approval within ten (10) days after our receipt of such materials, we will be deemed to have disapproved such materials. You may not use any advertising or promotional materials that we have disapproved. Our approval of any advertising material may be withdrawn in our sole discretion at any time.

F. Grand Opening. We will coordinate with you to implement a grand opening marketing campaign approved by us, but we do not currently require you to spend any minimum amount on grand opening advertising. We will assist you in organizing your grand opening promotion, and we must approve all advertising items, methods and media you use in connection with such grand opening promotion. To the extent that you conduct a grand opening campaign, your costs to do so are in addition to your required local advertising expenditures.

G. Business Listings. If required by us, you shall place and pay the cost of a business listing acceptable to us, which may, at our discretion, be an Internet business listing, in such directories and categories as we may specify from time to time in the Manuals or otherwise in writing. This cost, if required by us, may be credited against your required local advertising expenditures.

X. MARKS

A. Your Right to Use the Marks. We grant you the right to use the Marks during the term of this Agreement in accordance with this Agreement and our standards and specifications.

B. Your Agreements Regarding the Marks. You expressly acknowledge that:

(1) As between us and you, we are the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither you nor any of your Owners will take any action that would prejudice or interfere with our rights or those of our Affiliates in and to the Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from your use of the Marks will inure solely and exclusively to our benefit and to the benefit of our Affiliates, and upon expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with your use of the Marks.

(4) You agree not to contest, or assist others to contest, the validity of, or our or our Affiliates' interest in the Marks.

(5) Any unauthorized use of the Marks will constitute an infringement of our or our Affiliates' rights in the Marks and a material event of default under this Agreement. You agree to provide us with all assignments, affidavits, documents, information and assistance related to the Marks that we or our Affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of us or our Affiliates in the Marks.

(6) We have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and the Southern Solar Businesses operating under the System if the current Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different marks will be beneficial to the System. If we do so, you agree, at your sole expense, to promptly discontinue or modify your use of any of the Marks and to use one or more additional or substitute marks as determined by us.

C. Your Use of the Marks. You further agree that you will:

(1) Operate and advertise the Southern Solar Business only under the name "Southern Solar," without prefix or suffix, unless otherwise authorized or required by us. You agree not to use the Marks as part of your corporate or other legal name.

(2) Identify yourself as the owner of a franchised Southern Solar Business in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, and display a notice in such content and form and at such conspicuous locations at the Southern Solar Business or on any vehicle used in the operation of the Southern Solar Business as we may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on our behalf.

(4) Comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

D. Infringement. You agree to notify us promptly of any apparent infringement of or challenge to your use of any Mark and of any claim by any person of any rights in any Mark. You and your Owners shall not communicate with any person other than us, our Affiliates, our and their counsel, and your counsel in connection with any such apparent infringement, challenge or claim. We will have complete discretion to take any action we deem appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute all such instruments and documents, render such assistance, and do such acts or things as may, in our opinion, be reasonably necessary or advisable to protect and maintain our or our Affiliates' interests in the Marks.

XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

A. Manuals. The Manuals are our property, and you agree to return them to us at our request and in any event when this Agreement expires or is terminated for any reason. You and your Owners must at all times maintain the Manuals, and the information contained in them, as confidential in compliance with this Article XI. You may make the Manuals available only to those of your Owners and employees who must have access to them in order to operate the Southern Solar Business and may not at any time copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or make them available to any unauthorized person. You agree to maintain the Manuals in a secure place at your Southern Solar Business. We have the right to add to or modify the Manuals from time to time. You agree to comply with the terms of all additions and modifications to the Manuals and to keep your copy of the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy at our offices shall control. The entire contents of the Manuals, and our mandatory specifications, procedures and rules prescribed from time to time, shall constitute provisions of this Agreement as if they were set forth herein.

B. Nondisclosure of Confidential Information. We will disclose to you those parts of our Confidential Information we deem necessary or advisable from time to time for the establishment and operation of the Southern Solar Business. You agree that you and your Owners will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information disclosed to you in operating the Southern Solar Business during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You agree to disclose the Confidential Information only to your Owners and employees and only to the extent reasonably necessary for them to operate the Southern Solar Business pursuant to this Agreement. Our Confidential Information is proprietary, includes trade secrets owned by us and our Affiliates, and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to Southern Solar Business personnel and others. These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Owners.

C. Noncompetition Covenants. You and your Owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable training and Confidential Information which are beyond your and their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. You and your Owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access to them is a primary reason for entering into this Agreement. Accordingly, you and your Owners agree as follows:

(1) With respect to you, during the term of this Agreement (or with respect to each of the Owners, for so long as such person satisfies the definition of "Owner" under this Agreement), except as otherwise approved in writing by us, neither you nor any of your Owners shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of Southern Solar Businesses to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business (other than a Southern Solar Business or other business licensed by us or our affiliate) that is the same as or similar to a Southern Solar Business (including any business that offers solar panels, solar power products, or any related services or products) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

(2) With respect to you, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of your interest in, this Agreement (or, with respect to each of the Owners,

commencing upon the earlier of (i) the expiration or termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Owner" under this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in writing by us, neither you, nor any of your Owners shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of Southern Solar Businesses to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business (other than a Southern Solar Business or other business licensed by us or our affiliate) that is the same as or similar to a Southern Solar Business (including any business that offers solar panels, solar power products, or any related services or products) and which is, or is intended to be, located (i) at the Franchise Location, (ii) within the Protected Area, (iii) within a One Hundred (100)-mile radius of the Franchise Location, or (iv) within a One Hundred (100)-mile radius of the location of any Southern Solar Business then in existence or under construction.

(3) You agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill associated with the Marks and the System or our other business interests. Each covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XI.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XI.C.

(a) You and your Owners acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section XI.C. without your or their consent, effective immediately upon notice to you; and you and your Owners agree to promptly comply with any covenant as modified.

(b) You and your Owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Section XI.C, and that the 2-year non-competition period shall be tolled during any periods of non-compliance and shall be extended for a time period equal to the duration of the non-compliance.

D. Improvements. If you, your employees, or Owners develop any new concept, process or improvement in the operation or promotion of a Southern Solar Business (an "Improvement"), you agree to promptly notify us and provide us with all related information, without compensation. Any such Improvement shall become our sole property and we shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to us any rights you or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint us as your and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section XI.D. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your or their rights therein.

E. Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Article XI. shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to us for which no adequate remedy at law may

be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or them in violation of the terms of this Article XI., without the requirement that we post a bond. You and your Owners agree to pay all court costs and reasonable attorneys' fees and costs that we incur in connection with the enforcement of this Article XI., including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Article, or any part of it.

F. Execution of Covenants by Your Owners and Management. You agree to require and obtain the execution of covenants similar to those set forth in Sections XI.B. and C. from all General Managers, and, at our request, any assistant managers or other of your personnel. These covenants must be substantially in the form set forth in Exhibit B; however, we reserve the right, in our sole discretion, to decrease the scope of the noncompetition covenant set forth in Exhibit B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement.

XII. BOOKS AND RECORDS

A. Maintenance of Books and Records. You must maintain during the term of this Agreement, in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time in the Manuals, full, complete and accurate books, records and accounts of your Southern Solar Business, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers. You agree to preserve such books and records for at least five (5) years from the date of preparation.

B. Reporting. In addition to other reports required by this Agreement, you agree to submit to us, in the form we prescribe from time to time and at your expense:

(1) At our request, a monthly income statement (which may be unaudited), signed by your treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct.

(2) Not later than February 15th after the end of each calendar year during the term of this Agreement, your complete annual financial statements (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to us (or, in the alternative, you may prepare internal annual financial statements signed by your treasurer, chief financial officer or comparable officer attesting that they are true, complete and correct) and showing the results of your operations during such calendar year. We may require you to prepare audited financial statements, at our discretion, if we determine or have reason to believe, that you are not accurately reporting your revenues or other financial information to us for any reason.

(3) At our request and within the timeframe we specify, at your expense, reports and other information relating to the operation of the Business, including without limitation: (i) statements relating to Gross Sales; (ii) upon our request, copies of your most recent sales tax return, monthly sales summary and monthly balance sheet and statement of profit and loss, including without limitation a summary of your costs for labor, rent and other material cost items; (iii) within 60 days of a written request by us, all tax returns relating to the Business and each of the Principal Owners; and (iv) upon our request, all such books and records to verify your Gross Sales as we may require under our audit policies.

(4) At the times reasonably required by us, such other forms, reports, records, information and data as we may reasonably designate.

C. Audits. We or our designees will have the right at all reasonable times to review, audit, examine and copy your books and records relating to your Southern Solar Business. If any required payments to us are delinquent, or if an examination or audit should reveal that any payments have been understated in any report to us, then you must pay to us upon demand the amount overdue or understated with interest determined in accordance with Section V.E. If an examination or audit discloses an understatement in any report of two percent (2%) or more, you must, in addition, reimburse us for all costs and expenses connected with the audit (including, without limitation, legal and accounting fees and costs). You agree to pay for all costs related to any planned audit that is not conducted or not completed on schedule due to your failure to produce your books and records at the time of audit if we notify you in writing of the audit at least five days before the scheduled date. We can collect any

delinquent amounts that you owe to us under this Agreement by automatic funds transfer. These remedies shall be in addition to any other remedies we may have at law or in equity.

D. No Waiver. Our receipt or acceptance of any of the statements furnished or amounts paid to us (or the cashing of any check or processing of any electronic fund transfer) will not preclude us from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, you must immediately correct the error and make the appropriate payment to us.

E. Authorization to Release Information. You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom you do business to disclose to us any financial information in their possession relating to you or the Southern Solar Business which we may request.

F. Our Use and Disclosure of Your Records. We have the right to use or share any reports, sales figures, financial statements, customer information or any other information you provide to us with other Southern Solar franchisees and prospective franchisees in any form, including without limitation publishing your information in franchisee newsletters or other publications we share with our franchisees or designated suppliers and vendors; provided, however, we will not share copies of your personal tax records with anyone other than our professional advisors or as required by law or a court order. Except for this right, we will keep your financial books, records, reports, financial statements, and other information confidential, unless the information is: (i) requested by tax authorities; (ii) used as part of a legal proceeding; (iii) used in a manner consistent with any section of this Agreement; or (iv) included in a financial performance representation included in our Franchise Disclosure Document.

XIII. INSURANCE

A. Insurance Coverage Requirements. Not later than sixty (60) days before the Opening Date, you must procure, at your expense, an insurance policy or policies protecting you, us, our Affiliates, successors and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring at or in connection with the operation of the Southern Solar Business. You must maintain these policies in full force and effect at all times during the term of this Agreement. All required insurance policies must be purchased from an insurance provider approved by us (which must be A rated or better by AM Best), must include a one-year tail following the termination, expiration or transfer of this Agreement, must name us as a co-insured and a certificate holder, must provide us with 30 days' notice prior to any termination or expiration, and shall otherwise be reasonably acceptable to us and must include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time in writing), the following:

(1) Comprehensive general liability insurance written on an occurrence form, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, $2,000,000 products/completed operations aggregate, $1,000,000 personal and advertising injury, $50,000 damage to premises rented to you, and $5,000 medical expense (any one person). The general liability coverage shall include a waiver of subrogation endorsement in favor of us and shall not limit or exclude contractual liability;

(2) Employment related practices liability insurance, including third party coverage, in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate. Such insurance must include a deductible of less than $10,000 unless we approve a higher deductible in writing. Prior acts retroactive date must be no later than the Effective Date of this Agreement;

(3) Commercial automobile insurance written on a combined single limit basis for bodily injury and property damage with a limit not less than $1,000,000 per accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles and shall include additional insured and waiver of subrogation endorsements in favor of us;

(4) Commercial umbrella or excess liability following form insurance in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate;

(5) Property insurance coverage to include coverage for replacement costs of all franchisee-owned contents and tenant improvements at each location, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than six months. All property related coverage shall be written on special causes of loss forms with deductibles not to be greater than $10,000 per occurrence;

(6) Workers' compensation (Coverage A) with statutory limits complying with the laws of the applicable state, and employer's liability (Coverage B) with limits not less than $1,000,000 per accident, $1,000,000 disease policy limit, and $1,000,000 disease per employee. Such insurance shall include a waiver of subrogation endorsement in favor of us; and

(7) such other insurance as may be required by us from time to time or by the landlord of your Southern Solar Business premises at, and by the state or locality in, which the Southern Solar Business is located. All required insurance coverages may be obtained by separate primary policies, or in combination with umbrella or excess liability policies.

B. Deductibles; Waiver of Subrogation. You may elect to have reasonable deductibles in connection with the coverage required under Sections XIII.A(1)-(7) hereof. Such policies shall also include a waiver of subrogation in favor of us, our Affiliates and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them.

C. Builder's Risk Insurance. If you engage in any construction, renovation, refurbishment or remodeling, then you must maintain Builder's Risks/Installation insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to us.

D. No Limitation of Other Obligations. Your obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article XVI. of this Agreement.

E. Additional Insured Designation. All insurance policies required under this Agreement, with the exception of workers' compensation, shall name us and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and shall expressly provide that our and their interest shall not be affected by your breach of any policy provisions. All public liability and property damage policies shall contain a provision that we and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of your negligence or that of your servants, agents or employees.

F. Certificates of Insurance. Upon the execution of this Agreement and thirty (30) days before the expiration of any policy required under this Agreement, you agree to deliver to us certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required under this Article XIII. In addition, if we request, you agree to deliver to us a copy of the insurance policy or policies required. All required insurance policies must expressly provide that we are entitled to no less than thirty (30) days' prior written notice in the event of a material alteration to or cancellation of the policies.

G. Remedies. If you fail to procure or maintain the insurance required by this Agreement, we will have the right and authority (but no obligation) to procure such insurance and to charge to you the cost of such insurance, together with a reasonable fee for our expenses, which shall be payable by you upon demand. The foregoing remedies are in addition to any other remedies we may have at law or in equity.

XIV. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. You agree to promptly pay when due all Taxes levied or assessed and all accounts and other indebtedness of every kind incurred by you in connection with the Southern Solar Business. You are solely liable for the payment of all Taxes and agree to indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed. You will pay to us when due any federal, state or local sales, gross receipts, use, value added, excise or other taxes levied or assessed against us on all fees and other payments paid to us under this Agreement, including any income tax, franchise or other tax levied or assessed against us for the privilege of doing business in your state.

B. Disputed Liability. If there is a bona fide dispute as to your liability for Taxes or other indebtedness, you may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against your Southern Solar Business.

C. Credit Standing. You acknowledge that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by you in good faith, you agree to promptly pay when due all amounts owed by you to us, our Affiliates, and other suppliers, lenders, landlords and other third parties. Any failure to comply with this section shall constitute a material default under this Agreement.

D. Notice of Adverse Orders. You agree to notify us in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of your Southern Solar Business.

XV. TRANSFER

A. By Us. We will have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity without your consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all our obligations arising subsequent to the transfer or assignment. Without limitation of the foregoing, we may sell our assets to a third party; may offer our securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By You and Your Owners. You acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted you rights under this Agreement in reliance on your business skill, financial capacity and personal character and that of your Owners. Accordingly, neither you nor any of your Owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Southern Solar Business, or in you without our prior written consent. In addition to, and not in lieu of, the foregoing, you must obtain our prior written approval before you enter into any loan agreement under which you will receive funds to be used in connection with your Southern Solar Business or grant a lien on (a) the Southern Solar Business, including, but not limited to, a lien on any partnership interests, shareholder interests, membership interests, or securities, whether certificated or uncertificated, or (b) any assets owned and/or used by the Southern Solar Business, to any lender. Our approval of such proposed loan shall not be unreasonably withheld. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement. If you wish to transfer all or part of your interest in the Southern Solar Business or this Agreement, or if you or an Owner wishes to transfer any ownership interest in you, the transferor shall apply to us for our consent. We will not unreasonably withhold our consent but may require any or all of the following as conditions of our consent:

(1) All accrued monetary obligations of you and your Affiliates to us and our Affiliates arising under this Agreement or any other agreement, shall have been satisfied in a timely manner, and you shall have satisfied all trade accounts and other debts of whatever nature or kind in a timely manner;

(2) You and your Affiliates shall not be in default of this Agreement or any other agreement with us or our Affiliates, and you and they shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its owners, if applicable, shall have executed a general release, in a form satisfactory to us, of any and all claims, against us and our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with us or our Affiliates, and under federal, state or local laws, rules, and regulations or orders;

(4) The proposed transferee must demonstrate to our satisfaction that it meets our then-current qualifications, and, at the transferee's expense, its Principal Owner, General Manager and any other personnel we require shall complete any training programs then in effect for Southern Solar Businesses upon such terms and conditions as we may reasonably require;

(5) The transferee shall, at its expense and within the time period we reasonably require, renovate, modernize and otherwise upgrade the Southern Solar Business to conform to our then-current System image, standards and specifications, provided that this subsection XV.B(5) will be applicable only if you have not renovated, updated and upgraded the Southern Solar Business in the prior three years pursuant to subsection VIII.D of this Agreement;

(6) The transferee shall enter into a written agreement, in a form satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all of your obligations, covenants and agreements under this Agreement;

(7) The transferee shall execute our then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement (except that the fees imposed on the transferee will not be greater than the fees that we then impose on similarly situated transferees), provided that the transferee shall not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of the transferee's owners whom we require shall execute such guaranty and assumption documents as we may require;

(8) The transferor shall remain liable for all of its obligations to us under this Agreement incurred prior to the effective date of the transfer, shall obtain a one-year tail on each of its insurance policies to cover any liabilities that may have been incurred prior to the effective date of the transfer, and shall execute any and all instruments reasonably requested by us to evidence such liability;

(9) You must pay us a transfer fee in the amount of Twenty Thousand Dollars ($20,000), except that if you transfer to an existing Southern Solar franchisee in good standing then your transfer fee will be reduced to Ten Thousand Dollars ($10,000). Furthermore, if you are an individual transferring your rights and obligations under this Agreement to an entity owned solely by you pursuant to, and in accordance with, Section XV.C. of this Agreement, the transfer fee shall be waived;

(10) If the transfer relates to the grant of a security interest in any of your assets, we may require the secured party to agree that, in the event of any default by you under any documents related to the security interest, we shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership and owned solely by you, our consent may be conditioned upon any of the requirements in Section XV.B., except that Sections XV.B. (4), (5), and (7) shall not apply and the fee

provided for in Section XV.B.(9) shall be waived. In any transfer for the convenience of ownership, you must be the owner of all the voting stock or ownership interests in the new entity, or, if you are more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in you before the transfer.

D. Right of First Refusal. If you or an Owner wishes to transfer any interest in this Agreement, the Southern Solar Business, or you pursuant to any bona fide offer received from a third party to purchase such interest, then the proposed seller shall promptly notify us in writing of the offer, and shall provide such information and documentation relating to the offer as we may require. We will have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that we intend to purchase the seller's interest on the terms and conditions offered by the third party. If we elect to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of our notice to seller of our election to purchase and the date we receive all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, we may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If we exercise our right of first refusal, we will have the right to set off all appraisal fees and other amounts due from you to us or any of our Affiliates. A material change in the terms of any offer before closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Our failure to exercise the option afforded by this Section XV.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XV.B. Failure to comply with this Section XV.D. shall constitute a material event of default under this Agreement.

E. Death or Permanent Disability. You agree to promptly notify us of any death or claim of permanent disability subject to this Section XV.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section XV.B. for any inter vivos transfer.

(1) Upon your death (if you are a natural person) or the death of any Owner who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within six (6) months after the death of the Deceased.

(2) Upon your permanent disability (if you are a natural person) or the permanent disability of any Owner who is a natural person, we may, in our sole discretion, require that person's interest to be transferred to a third party in accordance with the conditions described in this Article XV within six (6) months after notice to you. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person, or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section XV.E. We will pay the costs of any examination required by this Section XV.E.(2).

F. Securities Offerings. Interests in you shall not be offered to the public by private or public offering without our prior written consent, which we will not unreasonably withhold. As a condition of our consent, we may, in our sole discretion, require that immediately after such offering your Owners retain a Controlling Interest in you. You agree to give us written notice at least thirty (30) days before the commencement of any offering covered by this Section XV.F. and to submit all offering materials to us for review before they are filed with any governmental agency or distributed for use. Our review of the offering materials shall be limited solely to the subject of the relationship between you and us. No offering shall imply that we are participating in an underwriting, issuance or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning the relationship between you and us. You, your Owners and the other participants in the offering

must fully indemnify us, our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, you must reimburse us for our reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

G. No Waiver. Our consent to the transfer of any interest described in this Article XV. shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand the transferee's exact compliance with any of the terms of this Agreement.

XVI. INDEMNIFICATION

You agree to indemnify, defend and hold harmless us, our Affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, and liabilities directly or indirectly arising out of the operation of your Southern Solar Business or your breach of this Agreement, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of us or any other party or parties in connection therewith. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from our gross negligence or willful misconduct, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you, your Owners, officers, directors, employees, independent contractors or Affiliates. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, accountants', mediators', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you. The terms of this Article XVI. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

XVII. INDEPENDENT CONTRACTOR

You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, you agree to hold yourself out to the public as an independent contractor conducting the operations of the Southern Solar Business pursuant to the rights granted by us. Nothing in this Agreement authorizes you or any of your Owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom. You herbey acknowledge and agree that we are not the employer, co-employer, joint employer or shared employer for your employees or any others working at or for your Southern Solar business. If we are ever classified as an employer, co-employer, joint employer or shared employer, or are otherwise designated or assigned employer obligations for you, your employees, your contractors, or your sub-contractors, by any federal, state, or local government agency, court or other authority, you must indemnify and reimburse us for all costs and expenses related to or resulting from such designation, including but not limited to, costs and expenses that we incur in performing any duties that we are deemed to have to you, your employees, your contractors, or your sub-contractors pursuant to such relationship, including, but not limited to, any (a) taxes; (b) costs associated with providing insurance (including health, workers' compensation and unemployment insurance); and (c) wages and benefits. Furthermore, if we are ever required to collectively bargain or enter into a collective bargaining agreement with any of your employees, contractors, or sub-contractors, you must indemnify and reimburse us for (a) all costs of attending and participating in collective bargaining, including, but not limited to, travel expenses and professional fees directly attributable to collectively bargaining (and if we are

required to collectively bargain with the employees, contractors, or sub-contractors of more than one franchisee, such costs will be divided pro-rata among all franchisees who are required to indemnify us for such costs), and (b) all amounts that we are required to pay under a collective bargaining agreement that are payable to your employees, contractors, or subcontractors or that are attributable to them (such as taxes, insurance and benefits).

XVIII. TERMINATION

A. Automatic Termination. You will be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or if you file a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admit in writing your inability to pay your debts when due; or if you are adjudicated as bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law are instituted by or against you; or if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against your Southern Solar Business premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your Southern Solar Business shall be sold after levy thereupon by any sheriff, marshal or constable or is otherwise sold by means of a foreclosure sale or a public or private auction or sale conducted in accordance with applicable law.

B. Termination on Notice; No Cure. You will be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon notice to you, upon the occurrence of any of the following events:

(1) If you operate the Southern Solar Business or sell any products or services authorized by us at any location other than the Franchise Location (or provide any products or services outside of your Protected Area) without our prior written consent;

(2) If you fail to construct the Southern Solar Business in accordance with Article III;

(3) If you fail to open the Southern Solar Business for business within the period specified in Section III.E.;

(4) If you at any time cease to operate or otherwise abandon the Southern Solar Business (i.e. unauthorized closure for 72 hours or more) or otherwise forfeit the right to do or transact business in the jurisdiction where the Southern Solar Business is located; provided, that this provision shall not apply upon the occurrence of an event of Force Majeure, if you apply within thirty (30) days after such event for our approval to relocate or reconstruct the Southern Solar Business and you diligently pursue such reconstruction or relocation. Our approval will not be unreasonably withheld but may be conditioned upon the payment of an agreed minimum fee to us during the period in which the Southern Solar Business is not in operation;

(5) If a threat or danger to public health or safety results from the construction or operation of the Southern Solar Business;

(6) If you or any of your Owners is convicted of, or has entered a plea of guilty or nolo contendere to, a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

(7) If you or any of your Owners transfer or attempt to transfer any rights or obligations under this Agreement or any interest in you or the Southern Solar Business contrary to the terms of this Agreement, or if a transfer upon death or permanent disability is not made in accordance with Section XV.E.;

(8) If, contrary to the terms of Section XI.B., you or any of your Owners disclose or divulge any Confidential Information;

(9) If you knowingly maintain false books or records, or submit any false reports to us;

(10) If you breach in any material respect any of the covenants, or have falsely made any of the representations or warranties, set forth in Article VII., or if you make any material misstatement or omission in an application for this franchise or in any other information provided to us;

(11) If you fail to comply with our standards and specifications for any products or services or fail to comply with any aspect of our quality assurance program (including any applicable cure periods provided under such program);

(12) If you or any of your Owners repeatedly commit an event of default under this Agreement (i.e. 3 or more defaults within any 12 month period), whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(13) If your assets, property or interests are 'blocked' or otherwise restricted under any law, ordinance or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance or regulation;

(14) If you or any of your Affiliates are in default of any other franchise agreement or other agreements with us and fail to cure such default within the applicable cure period, if any; or

(15) If you intentionally understate or underreport your Gross Sales (or you understate or underreport your Gross Sales on three or more occasions, regardless or your intent).

C. Termination on Notice; Opportunity to Cure. Except as provided in Sections XVIII.A. and XVIII.B. of this Agreement, upon any default which is capable of being cured, we may terminate this Agreement by giving you written notice of termination stating the nature of the default and the time period within which the default must be cured. You may avoid termination by immediately initiating a remedy to cure such default and curing it to our satisfaction within the time period set forth below or any longer period that applicable law may require ("cure period"). If the default is not cured within the cure period, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If you fail to procure and maintain the insurance policies required by Section XIII. and fail to cure such default within seven (7) days following notice from us;

(2) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein and fail to cure such default within twenty-four (24) hours following notice from us;

(3) If you fail to obtain the execution of the confidentiality and related covenants as required under Section XI.F. of this Agreement within ten (10) days after we request and fail to cure such default within thirty (30) days following notice from us;

(4) If you or any of your Affiliates fail, refuse, or neglect to promptly pay any monies owed to us or any of our Affiliates when due, or fail to submit the financial reports or other information we require under this Agreement, and do not cure such default within five (5) days following notice from us;

(5) If you or any of your Owners fail to comply with the restrictions against competition set forth in Section XI.C. of this Agreement and fail to cure such default within ten (10) days following notice from us;

(6) If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing, and fail to cure such default within thirty (30) days following notice from us;

(7) If you fail to secure and maintain all required state, county or local license(s) by the date the Southern Solar Business is otherwise ready (and/or required) to open for business and fail to cure such default within ten (10) days following notice from us; or

(8) If you fail to comply with any other requirement imposed by this Agreement, or fail to carry out the terms of this Agreement in good faith and fail to cure such default within thirty (30) days following notice from us.

D. Our Right to Provide Interim Management. If we have given you notice that you are in default, then we may (but are not obligated to) assume interim management of your Southern Solar Business during the pendency of any cure period or in lieu of immediately terminating this Agreement. If we elect to assume interim management of your Southern Solar Business (i) our election will not relieve you of your obligations under this Agreement; (ii) we will not be liable for any debts, losses, costs or expenses incurred in the operation of your Southern Solar Business during any such interim management period; (iii) we will have the right to charge a reasonable weekly fee (currently 10% of your Southern Solar Business' Gross Sales plus our related costs, including any travel, lodging and meal expenses for our personnel engaged in operating your business) for our management services; and (iv) you agree to, and hereby do, indemnify and hold us harmless against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys' fees) incurred in connection with our interim management of the Southern Solar Business, other than those arising solely from our gross negligence or willful misconduct.

XIX. POST-TERMINATION

A. Your Obligations Upon Termination. Upon the termination or expiration of this Agreement for any reason, all rights granted to you will terminate, and you must:

(1) Immediately cease to operate the Southern Solar Business under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as one of our present or former franchisees.

(2) Immediately and permanently cease to use, in any manner whatsoever, the Marks and any Confidential Information associated with the System. Without limitation of the foregoing, you must cease to use all signs, advertising materials, displays, stationery, forms and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name, fictitious name or equivalent registration which contains the mark "Southern Solar" or any other Mark, and furnish us with satisfactory evidence of compliance within five (5) days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy or colorable imitation of the Marks which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks, nor shall you use any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

(5) Promptly pay all sums owing to us and our Affiliates, and all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by us as a result of any default by you or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Article XIX., which obligation shall give rise to and remain a lien in favor of us against any and all of your assets, until such obligations are paid in full.

(6) Promptly deliver to us all Manuals, Software Programs, Confidential Information, and other materials related to the operation of the Southern Solar Business in your possession or control, and all copies thereof, all of which are acknowledged to be our property, and retain no copy or record of any of the foregoing,

except your copy of this Agreement and of any correspondence between you and us and any other documents which you reasonably need for compliance with any provision of law.

(7) Comply with the restrictions against the disclosure of Confidential Information and against competition contained in Article XI. of this Agreement and cause any other person required to execute similar covenants pursuant to Article XI. to also comply with such covenants.

(8) Promptly furnish to us an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the Southern Solar Business or at any other location under your control. We will have the right to inspect these materials and the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at your cost. Materials we do not purchase cannot be used by you or any other person for any purpose unless authorized in writing by us.

(9) At our option, assign to us all rights to the telephone numbers and social media accounts of the Southern Solar Business and any related business listings and execute all forms and documents required by us to transfer such service and numbers to us. You agree to use different telephone numbers at or in connection with any subsequent business conducted by you.

(10) If we do not elect to exercise our option to acquire the lease or sublease for the Franchise Location (as described below), you agree to make such modifications or alterations to your premises and your vehicle(s) as are necessary to distinguish the appearance of the Franchise Location and your vehicle(s) from that of the Southern Solar Businesses, and, if you fail or refuse to do so, we shall have the right to enter upon the premises and vehicle(s), without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at your expense.

B. Our Post-Term Purchase Options. Upon the termination or expiration of this Agreement, we shall have the following options:

(1) The option, exercisable by giving written notice to you within sixty (60) days from the date of such termination or expiration, as applicable, to acquire the Franchise Location and all or any portion (in our sole discretion) of the assets used in the Southern Solar Business from you (subject to any rights of approval retained by the owner of the leasehold). The date on which we notify you whether or not we are exercising our option is referred to as the "Notification Date." We will have the unrestricted right to assign this option and we or our assignee will be entitled to all customary warranties and representations in connection with the asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; and a general release.

(2) The option, exercisable at the time and in the manner set forth in subsection (1) above, to assume your leasehold interest in the Franchise Location or, if you own the Franchise Location, to enter into a lease agreement with you. If we exercise our option, you agree to assign your leasehold interest to us at no cost to us other than our assumption of the obligation to make post-assignment rental payments to the landlord under the lease; or if you own the Franchise Location, to lease the Franchise Location to us at a reasonable commercial rent and upon terms comparable to rental terms for similar leased property in the marketplace where the Southern Solar Business is located.

(3) If we exercise our option under subsection (1) to purchase all or some of the assets of the Southern Solar Business from you, the purchase price for the assets will be their fair market value, determined in a manner consistent with reasonable depreciation of the Southern Solar Business' leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies. The age and condition of the improvements, equipment, fixtures, furnishings, I, and signs of the Southern Solar Business will also be considered in determining the fair market value. We may exclude from the assets we elect to purchase cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to the Southern Solar Business' operation or that we have not approved as meeting the standards for Southern Solar Businesses, and the purchase price will reflect such exclusions.

(4) If we and you are unable to agree on the fair market value of the Southern Solar Business' assets, or the fair rental value of the Franchise Location, such fair market value (or fair rental value) will be determined by three (3) independent appraisers who collectively will conduct one (1) appraisal. We will appoint one appraiser, you will appoint one appraiser, and those appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after the Notification Date, and we and you agree that we will instruct the two appraisers so chosen to appoint the third appraiser within fifteen (15) days after the date on which the last of our appointed appraisers is appointed. You and we will each bear the cost of our own appraiser and share equally the fees and expenses of the third appraiser. We and you agree that we will instruct the three (3) appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment.

(5) The purchase price will be paid at the closing of the purchase, which will take place not later than ninety (90) days after the determination of the purchase price. We will have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your Owners owe to us. At the closing, you agree to deliver instruments transferring to us: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you; (ii) all licenses and permits of the Southern Solar Business which may be assigned or transferred; and (iii) a leasehold interest in (or unencumbered title to) the Franchise Location and improvements. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. As a condition of our purchase of the Southern Solar Business, you and your Owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our subsidiaries, shareholders, officers, directors, employees, agents, successors and assigns.

(6) We may assign our options under this Section XIX.B. to any person or entity without your consent.

XX. MISCELLANEOUS

e. A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to us:

Southern Solar Franchise Systems, LLC
5000 Overton Plaza, Suite 200
Fort Worth, Texas 76109
Attention: President
Telephone: (817) 377-6360
e-mail: shane@gosouthernsolar.com

Notices to you and your Owners:

_____
_____
_____
Attention: _____
Telephone: _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission (provided a confirmation copy is also sent by expedited delivery service or registered or certified mail).

B. No Waiver. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

C. Approval or Consent. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to you, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

D. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. An affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, in addition to payments required under Section XVIII.B.(4), you must continue to pay to us any and all amounts that you have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article XVI. Except as provided in Section XVIII.B.(4) and the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

E. Severability. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

F. MEDIATION. WE AND YOU ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT WE AND YOU ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, YOU AND WE AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY YOU AND US AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN FIFTEEN (15) DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION ("AAA") IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY IN FORT WORTH, TEXAS). THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION XX.G. WE AND YOU AGREE THAT STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION

PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION XX.F., YOUR AND OUR AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS OR THE CONFIDENTIAL INFORMATION. MOREOVER, REGARDLESS OF YOUR AND OUR AGREEMENT TO MEDIATE, YOU AND WE EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.

G. LITIGATION. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN SECTION XX.F. ABOVE, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF TARRANT COUNTY, TEXAS AND THE FEDERAL DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU AND WE AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU AND WE FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE TARRANT COUNTY, TEXAS.

H. GOVERNING LAW. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER TEXAS LAW (EXCEPT FOR TEXAS CONFLICT OF LAW RULES).

I. PARTIES' ACKNOWLEDGMENTS. YOU AND WE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF US WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. YOU AND WE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

J. WAIVER OF PUNITIVE DAMAGES. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US PURSUANT TO ARTICLE XVI. AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

K. LIMITATIONS OF CLAIMS. EXCEPT FOR CLAIMS WE BRING WITH REGARD TO YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO ARTICLE XVI., ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

L. JURY WAIVER. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US OR YOUR AND OUR RESPECTIVE AFFILIATES. THE

SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

M. **NO CONSOLIDATION OR CLASS ACTIONS. YOU AGREE THAT ANY DISPUTE OR ACTION BETWEEN YOU AND US WILL BE OF OUR AND YOUR INDIVIDUAL CLAIMS. NONE OF YOUR CLAIMS WILL BE LITIGATED ON A CLASS-WIDE BASIS OR OTHERWISE CONSOLIDATED WITH ANY CLAIMS OF ANY THIRD PARTIES.**

N. Costs and Attorneys' Fees. If we incur expenses in connection with your failure to pay when due amounts owed to us, or to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, court costs and any accounting, attorneys', mediators', arbitrators' and related fees.

O. Binding Effect. This Agreement is binding upon us and you and your and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest.

P. Modification of Agreement. Except for those changes permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either you or us unless mutually agreed to and executed by our and your authorized officers or agents in writing.

Q. Consents and Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

R. Owners. If two or more persons are at any time the "Franchisee" under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.

S. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

T. Headings. The captions used in connection with the articles, sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

U. Survival. Any obligation of you or the Owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in you, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections XX.F. through XX.N. will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

V. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

W. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates, and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of our rights pursuant to Section XVIII. of this Agreement shall not discharge or release you or any of the Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

X. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section XV.), any rights or remedies under or as a result of this Agreement.

Y. Further Assurances. You and we agree to promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

Z. Agreement Effective Upon Execution by Us. This Agreement shall not become effective until signed by one of our authorized representatives.

AA. Entire Agreement. This Agreement, and the exhibits hereto, which are incorporated herein by reference, constitute the entire, full and complete Agreement between the parties hereto concerning the subject matter hereof, and they supersede any and all prior negotiations, understandings, representations and agreements; **provided, however, that nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document that we furnished to you.** You acknowledge and agree that no other representations by us or any third party have induced you to execute this Agreement.

XXI. FRANCHISEE'S ACKNOWLEDGEMENTS

A. Independent Investigation. Franchisee acknowledges that it has conducted a thorough, independent investigation of the business contemplated by this Agreement and recognizes that the success of this business involves substantial risks and will largely depend upon the ability and efforts of Franchisee. Except for the financial performance representations contained in the franchise disclosure document that Franchisor furnished to you, Franchisor expressly disclaims making, and Franchisee acknowledges that it has not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

B. Consultation With Advisors. Franchisee acknowledges that Franchisee has received, read and understands this Agreement and the related Attachments and agreements and that Franchisor has afforded Franchisee sufficient time and opportunity to consult with advisors selected by Franchisee about the potential benefits and risks of entering into this Agreement.

C. Development of the System. Franchisee acknowledges and agrees that some aspects of Franchisor's franchise program and the System are currently under development and that Franchisor expects that there will be some significant variations in the System in different markets which may exist for an initial or transitional period, or on a permanent basis. Franchisee acknowledges and agrees that no variations from the System or Manuals are permitted without Franchisor's prior written consent and that over time during the term of this Agreement Franchisor and its affiliates will continue to develop and refine various aspects of the System and that as new products, operating procedures, trade dress and other refinements are introduced, Franchisor may, in its sole discretion, cease to allow some or all variations from the System and Manuals and may require local, regional or national uniformity among Southern Solar Businesses with regard to aspects of the System and Manuals for which Franchisor previously permitted variations.

D. Franchisor's Obligations. Franchisee expressly understands and acknowledges that it is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Franchisor has made any statement or promise to the effect that Franchisor's affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

[_____ INITIAL HERE]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

EXHIBIT A TO THE FRANCHISE AGREEMENT

OWNERS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the "Guaranty") is given this _____ day of _____, 20__, by the undersigned in connection with the Franchise Agreement dated _____, 20__ between Southern Solar Franchise Systems, LLC ("Franchisor") and _____ ("Franchisee").

In consideration of, and as an inducement to, the execution of the Franchise Agreement by Franchisor, each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, a "Guarantor" and collectively, the "Guarantors") hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, that Franchisee will punctually perform its obligations and pay all amounts due under the Franchise Agreement, including, without limitation, amounts due for initial franchise fees, royalties, Brand Development Fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and

(ii) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

(iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Franchise Agreement or by any extension of time, credit or other indulgence that 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 will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Franchise Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Franchise Agreement; and

(v) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Articles VII., XI., XV., XVI. and XIX. and Sections XX.F. through N (which include, among other things, the mediation of disputes and WAIVERS OF JURY TRIAL RIGHTS AND PUNITIVE DAMAGES).

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, mediators', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

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

GUARANTORS:

_____
Name: _____

_____
Name: _____

_____
Name: _____

_____
Name: _____

EXHIBIT B TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

This Confidentiality and Noncompetition Agreement (this "Agreement") is made and entered into this ____ day of _____, 20__, by and among Southern Solar Franchise Systems, LLC, a Texas limited liability company ("Franchisor," "we," "us," or "our")[1], _____ ("Franchisee") and _____ ("Covenantor" or "you") in connection with a Franchise Agreement between Franchisor and Franchisee dated _____, 20__ (the "Franchise Agreement"). Initially capitalized terms used, but not defined in this Agreement, have the meanings given to them in the Franchise Agreement.

RECITALS

We have the right to use and license the use of a System for the establishment and operation of Southern Solar Businesses.

The System is identified by certain Marks including, the mark "Southern Solar," and includes certain Confidential Information which provides economic advantages to us and licensed users of the System.

We have granted Franchisee the right to operate a Southern Solar Business pursuant to the Franchise Agreement.

You are employed by or associated with Franchisee and it will be necessary for you to have access to some or all of the Confidential Information.

We and Franchisee have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from you a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

You acknowledge that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by you herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. You shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of your employment by or association with Franchisee in connection with the operation of a Southern Solar Business under the Franchise Agreement.

2. You shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without our express written permission.

3. You shall not at any time disclose or permit the disclosure of the Confidential Information except to Franchisee's other authorized employees and only to the limited extent necessary to train or assist such other employees in the operation of the Southern Solar Business.

[1] If Franchisor will not be a party, delete reference and modify the agreement to reflect, including the addition of the following third party beneficiary language: "We and our successors and assigns shall be third party beneficiaries of this Agreement, with the full and independent right, at our and their option and in our and their sole discretion, to enforce this Agreement."

4. You shall surrender any material containing some or all of the Confidential Information to Franchisee or us, upon request, or upon termination of your employment by or association with Franchisee.

5. You shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

6. You acknowledge that all Manuals are loaned by us to Franchisee for limited purposes only and remain our property. You agree that no Manuals may be reproduced, in whole or in part, without our written consent.

Covenants Not to Compete

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to you, you agree that, during the term of your association with or employment by Franchisee, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Franchisee's interest in the Franchise Agreement, you will not, without our prior written consent or as permitted under other valid franchise agreements for Southern Solar Businesses between Franchisee and us:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of Southern Solar Businesses to any competitor; or

b. Directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as, or similar to, a Southern Solar Business (including any business that offers solar panels, solar power products, or any related services or products) and which is, or is intended to be, located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of, or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; provided that during the two year-period following termination, expiration or transfer of the Franchise Agreement, the non-compete restrictions shall be limited to operations: (i) at the Franchise Location, (ii) within the Protected Area, (iii) within a One Hundred (100)-mile radius of the Franchise Location, or (iv) within a One Hundred (100)-mile radius of any Southern Solar Business then in existence or under construction.

Franchisee's Undertaking

Franchisee agrees to make all commercially reasonable efforts to ensure that you act as required by this Agreement.

Miscellaneous

1. You agree that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill of the System or our other business interests.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we is a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, we and the Franchisee would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, you agree that we and/or the Franchisee shall be entitled, in addition to any other remedies which we or it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

2. You agree to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by us and/or the Franchisee in enforcing this Agreement.

3. Any failure by us or Franchisee to object to or take action with respect to any breach of any provision of this Agreement by you shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by you.

4. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES. YOU HEREBY IRREVOCABLY SUBMIT YOURSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN TARRANT COUNTY, TEXAS AND THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED. YOU HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE STATE OR FEDERAL COURTS LOCATED IN TARRANT COUNTY, TEXAS OR THE COUNTY OR JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, WE OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

5. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

6. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Southern Solar Franchise Systems, LLC
5000 Overton Plaza, Suite 200
Fort Worth, Texas 76109
Attention: President
Telephone: (817) 377-6360
e-mail: shane@gosouthernsolar.com

If directed to Franchisee, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Telephone: _____
e-mail: _____

If directed to Covenantor, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Telephone: _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission (provided a confirmation copy is also sent by expedited delivery service or registered or certified mail) .

7. Our rights and remedies under this Agreement are fully assignable and transferable and shall inure to the benefit of our Affiliates, successors and assigns. Your obligations and those of the Franchisee may not be assigned without our prior written consent.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

COVENANTOR:

_____

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

EXHIBIT C TO THE FRANCHISE AGREEMENT

SELECTED TERMS:
FRANCHISE LOCATION, PROTECTED AREA,
AND OPENING DATE

1. FRANCHISE LOCATION:

   The Southern Solar Business shall be located at the following address: _____

2. PROTECTED AREA: **[Insert description (and attach map if applicable)]**

   The Protected Area shall be: _____.

3. OPENING DATE: The Opening Date of the Southern Solar Business is _____, 20__.

EXHIBIT D TO THE FRANCHISE AGREEMENT

OWNERSHIP AND MANAGEMENT INFORMATION

1. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in you, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN YOU	NATURE OF INTEREST

2. Your Principal Owner is: _____

3. Your General Manager (if applicable) is: _____

EXHIBIT E TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____
(Please attach one voided check for the above account.)

Southern Solar Business Location: _____

_____

For information call: _____

Address: _____

Phone #: _____

Fax #: _____

_____

Name of you/Depositor (please print)

By: _____

Signature and Title of Authorized Representative

Date: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT

DISCLOSURE QUESTIONNAIRE

Franchisee Name: _____

Permanent Address (**If an individual**) _____
(Physical address only, no P.O. boxes): _____
_____

State of Organization:
(**If a corporation, LLC or partnership**):

Address of Franchisee's _____
Principal Place of Business: _____
_____

****

As you know, Southern Solar Franchise Systems, LLC (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a Southern Solar Business (the "Franchise"). The purpose of this Questionnaire is to determine whether any unauthorized statements or representations have been made and to ensure that applicable laws have been complied with. Please review each of the following questions carefully and provide honest responses to each question.

Please place your INITIALS in the appropriate column indicating your response.

QUESTION		**YES**	**NO**
1.	Are you a resident or domiciliary of any state other than the state listed above?		
2.	Have you received and opened the Franchisor's Franchise Disclosure Document (the "Disclosure Document") provided to you?		
3.	Do you have any questions, or need any clarifications from us, regarding the information contained in the Disclosure Document?		
4.	For franchise prospects domiciled in, opening a Southern Solar Business in, or accepting the franchise offer in **Connecticut, Michigan, Oregon or Washington**, did you receive the Disclosure Document at least 10 business days before execution of the Franchise Agreement and related agreements or at least 10 business days before making any payment for the franchise, whichever event first occurred? For franchise prospects domiciled in, opening a Southern Solar Business in, or accepting the franchise offer in **Iowa, Maine, New York, Oklahoma or Rhode Island**, did you receive the Disclosure Document by the earlier of: (a) your first personal meeting with the franchisor (i.e. a representative of Southern Solar Franchise Systems, LLC) held for the purpose of discussing the sale or possible sale of a Southern Solar Business franchise, or (b) at least 10 business days before execution of the Franchise Agreement and related agreements or at least 10 business days before making any payment for the franchise, whichever event first occurred? For **all other franchise prospects**, did you receive the Disclosure Document at least 14 days before execution of the Franchise Agreement and related agreements or at least 14 days before making any payment for the franchise, whichever event first occurred?		
5.	Did you sign a receipt for the Disclosure Document indicating the date you received it?		

QUESTION		YES	NO
6.	Does the execution copy of the Franchise Agreement contain any changes (other than fill-in-the-blank terms like names, dates and addresses) from the form of franchise agreement attached to the Disclosure Document which were made unilaterally by us separate and apart from negotiations initiated by you?		
7.	Would you like to have additional time to consult with your attorney(s), accountants, and other advisors concerning these documents?		

If you answered "Yes" to question three (3), question six (6) or question seven (7), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

_____

_____

_____

_____

_____

You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

_____
FRANCHISE APPLICANT

Dated: _____, 20_____

_____
FRANCHISE APPLICANT

Dated: _____, 20____

EXHIBIT G TO THE FRANCHISE AGREEMENT

ASSIGNMENT OF TELEPHONE NUMBERS

For value received, the undersigned (hereinafter called the "Franchisee") hereby irrevocably assigns, effective upon the date of termination or expiration of the Franchise Agreement, the telephone listings and numbers stated below to Southern Solar Franchise Systems, LLC (hereinafter called "Franchisor") upon the following terms and conditions:

1. This assignment is made pursuant to the terms of a Franchise Agreement of even date herewith (hereinafter called "Agreement") between Franchisor and Franchisee, which in part pertains to the telephone listing and numbers used by the Franchisee in the operation of the Southern Solar Business contemplated by the Agreement.

2. The Franchisee shall retain the limited right to use the telephone listing and numbers solely for the transaction and advertising of the business while the Agreement between Franchisor and the Franchisee shall remain in full force and effect, but upon termination or expiration of the Agreement for any reason whatsoever, the limited right of use of the telephone listing and numbers by the Franchisee shall also terminate.

3. The telephone listing and numbers subject to this assignment are:

_____

_____

_____

and any numbers on the rotary series used by the Franchisee in the operation of the business in the future.

IN WITNESS WHEREOF, the Franchisee has hereunto set his/her hand this ____ day of _____, 20___.

FRANCHISEE:

By: _____
Name: _____
Title: _____

EXHIBIT H TO THE FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDA

CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the Franchise Agreement, for franchises in the State of California, is amended to include the following:

1. Sections IV(B)(7), XV(B)(3) and XIX(B)(5) of the Franchise Agreement are amended by adding the following at the end of these sections:

   "This release will not apply to claims as you may have under the California Franchise Investment Law and the California Franchise Relations Act."

2. The Franchise Agreement is governed by Texas law. This requirement may be unenforceable under California law.

3. 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.

4. The Franchise Agreement currently requires that any litigation be conducted in Texas. This provision may not be enforceable under California law.

5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

HAWAII

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Hawaii:

1. Any provision of the Franchise Agreement that requires you, at the time you enter into the Agreement, to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by Hawaii Franchise Investment Law is deleted from the Franchise Agreement.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

ILLINOIS

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement.

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

3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

INDIANA

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the disclosure document, the Franchise Agreement, or Texas law, if the provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Franchise Agreement, will supersede the provisions of Article XVIII of the Franchise Agreement to the extent Article XVIII may be inconsistent with this prohibition.

3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.

4. Section XI.C of the Franchise Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement as a second paragraph to Section XX.K:

> Notwithstanding the foregoing provisions of this Section XX.K, any provision in this Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

MARYLAND

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all residents of the State of Maryland, all franchises to be operated in the State of Maryland, and all franchises offered and sold in the State of Maryland:

1. The general release required under the Franchise Agreement as a condition of the renewal, sale and/or assignment/transfer of the franchise agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

4. With regard to both the Franchise Agreement and the Disclosure Questionnaire attached thereto as Exhibit F, the representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned does hereby acknowledge receipt of this addendum dated _____.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

MINNESOTA

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that the contractual provision violates this law.

2. Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to exclusive mediation.

3. The following language will appear as a second paragraph of Section XX.K of the Agreement: Pursuant to Minnesota Statutes, Section 80C.21, Section XX.K of this Agreement will not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

5. We will protect your rights under this Franchise Agreement to use the Marks, or indemnify you from any loss, costs or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and the System Standards.

6. Under Minnesota law, you cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

7. Under Minnesota law, Section XX.K of the Franchise Agreement (and any other franchise agreement provisions regarding limitations of claims) must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and will be void to the extent that such contractual provisions violate Minnesota Statutes, Section 80C.17, Subd. 5.

8. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned does hereby acknowledge receipt of this addendum, dated _____.

[SIGNATURES ON FOLLOWING PAGE]

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

NEW YORK

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of New York:

1. No release language set forth in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New York.

2. Section XV.A is amended by the addition of the following sentence immediately after the first sentence of that section:

> Notwithstanding the foregoing, no assignment will be made by us except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement (to the extent assigned).

3. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Covenants not to compete upon termination or expiration of the Franchise Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.

2. Section IV.B.7 of the Franchise Agreement is hereby amended to state that franchisee shall not be required to sign a general release upon renewal of the Franchise Agreement.

3. Section V.A of the Franchise Agreement is hereby amended to include the following statement at the end of such section: **Notwithstanding the foregoing, the North Dakota Securities Department requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees until we have completed our pre-opening obligations under the applicable franchise agreement and other documents and you have commenced operation of your franchised business pursuant to the franchise agreement.**

4. Section XIX.A.5 of the Franchise Agreement is hereby amended to delete any requirement that franchisee consent to termination or liquidated damages.

5. To the extent that Article XX of the Franchise Agreement would otherwise violate North Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a franchised business operating in the State of North Dakota, will be commenced and maintained, at our election, in the state courts of North Dakota or the United States District Court for North Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

6. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement or Texas law.

7. Article XX of the Franchise Agreement is amended to include a statement that in the event that either party will make a demand for mediation, such mediation will be conducted in a mutually agreed upon site.

8. Article XX of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This jury trial waiver is deemed deleted and shall not in any way abrogate or reduce any rights of the franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.

9. Article XX of the Franchise Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Agreement.

10. Article XX of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and is deemed amended to allow claims to be brought within the applicable statute of limitations under North Dakota law.

11. Article XX.N of the Franchise Agreement states that franchisee must pay all costs and expenses incurred by franchisor in enforcing the Agreement. Such provision is hereby amended to state that the prevailing party in any enforcement action is entitled to recover all of its costs and expenses, including its attorneys' fees.

12. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement

made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Article XX of the Franchise Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

SOUTH DAKOTA

The following statement is added to Section V.A. of the Franchise Agreement:

3. The South Dakota Department of Labor and Regulation's Division of Securities requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

4. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

VIRGINIA

1. Pursuant to Section 31.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, DISCLOSURE QUESTIONNAIRE AND RELATED AGREEMENTS

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Washington.

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

3. A release or waiver of rights signed by a franchisee will not include rights under the Washington Franchise Investment Protection Act or any order or rule thereunder except when signed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as the right to a jury trial may not be enforceable.

4. Transfer fees are collectable to the extent they reflect the franchisor's reasonable estimated or actual cost in effecting a transfer.

5. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

6. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

7. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

8. Pursuant to RCW 19.100.050 and WAC 460-80-400, the Securities Division of the Washington Department of Financial Institutions requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees until we have completed our pre-opening obligations under the franchise agreement and other documents and you have commenced operation of your franchised business pursuant to the franchise agreement.

9. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned does hereby acknowledge receipt of this addendum dated _____.

[SIGNATURES ON FOLLOWING PAGE]

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

WISCONSIN

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats. supersedes any provisions of the Franchise Agreement that are inconsistent with that law.

3. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any application state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC,
a Texas limited liability company

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

FRANCHISEE:

_____

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

EXHIBIT B TO FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, California Corporations Code §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the Disclosure Document for CMY Franchising, LLC in connection with the offer and sale of franchises for use in the State of California is amended to including the following:

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with this disclosure document.

2. Neither the franchisor nor any person included in Item 2 of this 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 franchisees concerning termination, transfer or non-renewal of a franchise. If the franchise agreement attached to this disclosure document contains a provision that is inconsistent with the law, the law will control.

4. Item 6 of this disclosure document is amended to include the following statement: The franchise agreement attached to this disclosure document provides for interest to be paid (at a rate equal to the lesser of 18% per year or the maximum lawful rate) on any past due amounts owed to the franchisor. The maximum lawful rate of interest under California law is 10% per annum.

5. The franchise agreement attached to this disclosure document provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

6. The franchise agreement attached to this disclosure document contains a covenant not to compete which extends beyond the termination of the franchise agreement. This provision may not be enforceable under California law.

7. The franchise agreement attached to this disclosure document does not require disputes to be settled through binding arbitration.

8. The franchise agreement attached to this disclosure document requires disputes to be settled in Texas under Texas law. Prospective franchisees are encourage to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the franchise agreement restricting venue to a forum outside the State of California.

9. The franchise agreement attached to this disclosure document requires application of the laws of Texas. This provision may not be enforceable under California law.

10. 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.

11. You must 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).

12. Regarding our website, www.gosouthernsolar.com, please note the following:
OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

13. THE ANTIRUST LAW SECTION OF THE OFFICE OF THE CALIFORNIA ATTORNEY GENERAL VIEWS MINIMUM AND MAXIMUM PRICE AGREEMENTS AS PER SE VIOLATIONS OF THE CARTWRIGHT ACT.

14. The franchise agreement attached to this disclosure document states that we reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services, but California's Cartwright Act limits our ability to set maximum, minimum, or other pricing requirements with respect to prices be charged by franchisees in the State of California.

ILLINOIS

Illinois law governs the agreements between the parties to this franchise:

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

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

The conditions under which your franchise can be terminated, and your rights upon non-renewal of a franchise agreement, are found in sections 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA

The following provisions supersede any inconsistent provisions in the disclosure document, and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the disclosure document, the Franchise Agreement or Texas law, if these provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Franchise Agreement, will supersede the provisions of Article XVIII of the Franchise Agreement to the extent such sections may be inconsistent with this prohibition.

3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.

4. The following provision will be added to the Franchise Agreement at the end of Section XX.K.:

   No Limitation on Litigation. Notwithstanding the foregoing provisions of this Section XX.K, any provision in the Franchise Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

MARYLAND

The following provisions supersede any inconsistent provisions in the disclosure document, and apply to all residents of the State of Maryland, all franchises to be operated in the State of Maryland, and all franchises offered and sold in the State of Maryland:

Item 17 of the FDD is amended to include the following disclosures:

1. Any provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law.

2. The general release required as a condition of the renewal, sale and/or assignment/transfer of the franchise agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

MINNESOTA

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes sections 80C.01 to 80C.22 will be void to the extent that the contractual provision violates this law.

2. Minnesota Statute §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Franchise Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect any obligation in the Franchise Agreement relating to exclusive mediation.

3. The following language will appear as Section XX.AA of any Franchise Agreement issued in the State of Minnesota.

> **XX.AA. No Abrogation**. Pursuant to Minnesota Statutes, Section 80C.21, the provisions contained in this Agreement, including this Section XX, will not in any way abrogate or reduce any of your rights as provided for in the Minnesota Statutes, Chapter 80C.

4. Item 17 of this disclosure document is amended by the addition of the following language:

> With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the

franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

5. Item 13 of this disclosure document is amended by the addition of the following language:

We will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our Southern Solar standards and specifications.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of North Dakota:

1. Covenants not to compete upon termination or expiration of the Franchise Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.

2. Item 17(c) is hereby amended to state that franchisee shall not be required to sign a general release upon renewal of the Franchise Agreement.

- Item 17(i) is hereby amended to delete any requirement that franchisee consent to termination or liquidated damages.

- Item 17(u) and (v) are hereby amended to state that in the event that either party will make a demand for mediation, such mediation will be conducted in a mutually agreed upon site.

3. To the extent that Article XX of the Franchise Agreement would otherwise violate North Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a franchised business operating in the State of North Dakota, will be commenced and maintained, at our election, in the state courts of North Dakota or the United States District Court for North Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

4. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement or Texas law.

5. The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. The jury trial waiver provision is deemed deleted and shall not in any way abrogate or reduce any rights of the franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.

6. The Franchise Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and the Franchise Agreement.

7. The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and is deemed amended to allow claims to be brought within the applicable statute of limitations under North Dakota law.

8. The following statement is added to Item 5:

The North Dakota Securities Department requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees until we have completed our pre-opening obligations under the applicable franchise agreement and other documents and you have commenced operation of your franchised business pursuant to the franchise agreement.

RHODE ISLAND

The following provision supersedes the disclosure document and applies to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Article XX of the Franchise Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a Franchised Business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

SOUTH DAKOTA

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of South Dakota.

1. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

2. Franchise registration, employment, covenants to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Texas.

3. To the extent that Article XX of the Franchise Agreement would otherwise violate South Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a Franchised Business operating in the State of South Dakota, will be commenced and maintained, at our election, in the state courts of South Dakota or the United States District Court for South Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

4. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the disclosure document, and Franchise Agreement will afford you thirty (30) days written notice with an opportunity to cure the default before termination.

VIRGINIA

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of Virginia:

In recognition of the restrictions contained in Section 31.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for CMY Franchising, LLC for use the Commonwealth of Virginia shall be amended as follows:

Additional Disclosures:

The following statements are added to Item 17.h:

Pursuant to Section 31.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of Washington:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. If any of the provisions in this disclosure document or Franchise Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the disclosure document and Franchise Agreement, as applicable, with regard to any franchise sold in the State of Washington.

3. A release or waiver of rights signed by a franchisee will not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when signed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as the right to a jury trial may not be enforceable. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by the Washington Franchise Investment Protection Act will be void to the extent that the provision violates the Act.

4. Transfer fees are collectable to the extent they reflect the franchisor's reasonable estimated or actual cost in effecting a transfer.

5. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an

action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WISCONSIN

The following provision supersedes any inconsistent provision in the disclosure document and applies to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats., supersedes any provisions of this disclosure document and the Franchise Agreement that are inconsistent with that law.

EXHIBIT C TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE OPERATIONS MANUAL TABLE OF CONTENTS

SEE FOLLOWING PAGE

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How to Use this Manual
Confidentiality of the Operations Manual
Keeping the Operations Manual Current

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EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

State Franchise Administrators

We intend to register this disclosure document in some or all of the following states, in accordance with the applicable state law. The following are the state administrators responsible for the review, registration, and oversight of registrations in that state:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 1515 K Street, Suite 200 Sacramento, California 95814 (415) 972-8559 or toll-free at (866) 275-2677	MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	MICHIGAN Consumer Protection Division Franchise Section Attn: Marilyn McEwen 670 Law Building Lansing, Michigan 48913 (517) 373-7117
ILLINOIS Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	MINNESOTA Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (612) 296-6328
INDIANA Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st floor New York, New York 10005 (212) 416-8222

NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue State Capital, 14th Floor (Dept. 414) Bismarck, North Dakota 58505-0510 (701) 328-4712	VIRGINIA Securities and Retail Franchising Division State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
RHODE ISLAND Department of Business Regulation John O. Pastore Complex, Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 277-3048	WASHINGTON Dept. of Financial Institutions Securities Administrator 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760
SOUTH DAKOTA Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	WISCONSIN Office of the Commissioner of Securities Fourth Floor 101 East Wilson Street Madison, Wisconsin 53702 (608) 266-8559

Agents For Service Of Process

We intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 1515 K Street, Suite 200 Sacramento, California 95814 (415) 972-8559 or toll-free at (866) 275-2677	MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	MICHIGAN Consumer Protection Division Franchise Section 670 Law Building Lansing, Michigan 48913 (517) 373-7117

ILLINOIS Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	MINNESOTA Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (612) 296-6328
INDIANA Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	NEW YORK Secretary of State 99 Washington Avenue Albany, New York 12231 (518) 473-2492
NORTH DAKOTA Securities Commissioner 600 East Boulevard Avenue State Capitol, 14th floor (Dept. 414) Bismarck, North Dakota 58505-0510 (701) 328-4712	VIRGINIA Clerk of State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
RHODE ISLAND Director of Department of Business Regulation John O. Pastore Complex, Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 277-3048	WASHINGTON Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, Washington 98501 (360) 902-8760
SOUTH DAKOTA Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	WISCONSIN Commissioner of Securities Fourth Floor 101 East Wilson Street Madison, Wisconsin 53702 (608) 266-8559
TEXAS Shane Lynch 5000 Overton Plaza, Suite 200 Fort Worth, Texas 76109	

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

SEE FOLLOWING PAGE

Southern Solar Fran Sys LLC
Balance Sheet
January 31, 2023

	Current Balance	Prior Year End Balance
Assets		
Current Assets		
Cash		
SSFS - OP Chase #889962756	$ 152,805	$ 256,320
SSFS - ContDisb Chase #889963002	(8,600)	(8,599)
Total Cash	$ 144,205	$ 247,721
Accounts Receivable		
A/R Trade		
A/R-Other	$ 673	$ 98
Total A/R Trade	$ 673	$ 98
A/R Credit Cards		
A/R Family		
A/R Employee		
A/R Inter Company		
BCC I/C A/R	$ (73,579)	$ (37,184)
Total Inter-Company A/R	$ (73,579)	$ (37,184)
Total Accounts Receivable	$ (72,906)	$ (37,086)
Inventories		
Prepaid Expenses		
Prepaid Insurance	$ 750	
Prepaid Expenses	15,439	15,439
Total Prepaid Expenses	$ 16,189	$ 15,439
Total Current Assets	$ 87,488	$ 226,074
Long Term Assets		
Notes Receivable		
Investments		
Property Plant & Eqpt		
Accumulated Depreciation		
Contra Assets		
GAAP Conversions		
Land		

Southern Solar Fran Sys LLC
Balance Sheet
January 31, 2023

	Current Balance	Prior Year End Balance
Net Prop Plant & Eqpt		
Other Assets		
Total Long Term Assets		
Total Assets	**$ 87,488**	**$ 226,074**

Southern Solar Fran Sys LLC
Balance Sheet
January 31, 2023

	Current Balance	Prior Year End Balance
Liabilities and Equity		
Current Liabilities		
Accounts Payable		
Accounts Payable- Trade	$ 5,581	$ 52,018
A/P-Other		(2,485)
Total Accounts Payable	$ 5,581	$ 49,533
Accrued Expenses		
Accrued Bonuses	$ (3,000)	$ (3,000)
Total Accrued Expenses	$ (3,000)	$ (3,000)
Deferred Income		
Brand Dev Fund 0.75%	$ (79,953)	$ (42,815)
Total Deferred Income	$ (79,953)	$ (42,815)
Current Portion of LT Debt		
Total Current Portion LT Debt		
Total Current Liabilities	$ (77,372)	$ 3,718
Long Term Liabilities		
Notes Payable		
Capital Lease		
Total Long Term Liabilities		
Total Liabilities	$ (77,372)	$ 3,718
Equity		
Retained Earnings	$ (377,645)	
Part. Cont.- Bobby Cox	285,000	285,000
Part. Cont. - Glenn Lynch	285,000	285,000
Part. Cont. - Blake	15,000	15,000
Part. Cont. - Ledio	15,000	15,000
Net Income (Loss)	(57,495)	(377,645)
Total Equity	$ 164,860	$ 222,355
Total Liabilities & Equity	**$ 87,488**	**$ 226,073**

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC

FINANCIAL STATEMENT

October 7, 2022
with Report of Independent Auditors

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC

FINANCIAL STATEMENT

October 7, 2022

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whitleypenn

Fort Worth Office
640 Taylor Street
Suite 2200
Fort Worth, Texas 76102
817.259.9100 Main

whitleypenn.com

REPORT OF INDEPENDENT AUDITORS

To the Members of
Southern Solar Franchise Systems, LLC

Opinion

We have audited the balance sheet of Southern Solar Franchise Systems, LLC (the "Company") as of October 7, 2022, and the related notes to the financial statement (the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Company as of October 7, 2022, in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statement is issued.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Whitley Penn LLP

Fort Worth, Texas
November 15, 2022

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC

BALANCE SHEET

October 7, 2022

Assets		
Current assets:		
Cash and cash equivalents	$	599,786
Prepaid expenses		3,026
Total assets	$	602,812
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	$	175,324
Members' equity		427,488
Total liabilities and members' equity	$	602,812

See accompanying notes to financial statement.

SOUTHERN SOLAR FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT

October 7, 2022

A. Nature of Business

Southern Solar Franchise Systems, LLC. (the "Company") is a Limited Liability Company ("LLC") formed on July 26, 2022, in the state of Texas. The Company has a perpetual duration unless dissolved earlier in accordance with the regulations of the Company.

As an LLC, the amount of loss at risk for each individual member is limited to the amount of capital contributed to the LLC and, unless otherwise noted, the individual member's liability for indebtedness of an LLC is limited to the member's actual capital contribution.

The Company is a franchisor of independent franchises doing business as Southern Solar. The Company's principal business activities are the receipts of royalties from the franchisees. No independent franchises have been opened as of October 7, 2022.

B. Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statement follows.

Basis of Accounting

The accounts are maintained and the financial statement has been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of the financial statement requires management to make estimates and assumptions that affect certain reported amounts in the financial statement and accompanying notes. Actual results could differ from these estimates and assumptions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At October 7, 2022, the Company had no such investments. The Company maintains deposits primarily in one financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Company has not experienced any losses related to amounts in excess of FDIC limits.

B. Summary of Significant Accounting Policies – continued

Income Taxes

The Company is organized as a limited liability company and taxed as a partnership for federal income tax purposes. As a result, income or losses are taxable or deductible to the members rather than at the Company level; accordingly, no provision has been made for federal income taxes in the accompanying financial statement. In certain instances, the Company is subject to state taxes on income arising in or derived from the state tax jurisdictions in which it operates.

State income tax positions are evaluated in a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the financial statement. The tax expense recorded would equal the largest amount of expense related to the outcome that is 50% or greater likely to occur. The Company classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense. Management of the Company has not taken a tax position that, if challenged, would be expected to have a material effect on the financial statement as of October 7, 2022.

The Company did not incur any penalties or interest related to its state tax returns from its formation on July 26, 2022 to October 7, 2022.

Under the centralized partnership audit rules effective for tax years beginning after 2017, the Internal Revenue Service ("IRS") assesses and collects underpayments of tax from the partnership instead of from each partner. The partnership may be able to pass the adjustments through to its partners by making a push-out election or, if eligible, by electing out of the centralized partnership audit rules.

The collection of tax from the partnership is only an administrative convenience for the IRS to collect any underpayment of income taxes including interest and penalties. Income taxes on partnership income, regardless of who pays the tax or when the tax is paid, are attributed to the partners. Any payment made by the partnership as a result of an IRS examination will be treated as a distribution from the partnership to the partners in the financial statement.

C. Summary of Franchise Outlets

As the Company is newly formed, there are no franchisor-owned or franchise outlets in operation as of October 7, 2022.

D. Related-Party Transactions

The Company has payable balances to affiliates with shared ownership totaling $167,517 as of October 7, 2022, for various expenses paid on behalf of the Company, which is included in accounts payable on the accompanying balance sheet.

E. Commitments and Contingencies

At times the Company may be involved in various lawsuits and claims arising in the normal course of business which may have a material adverse effect on the financial position or results of operations of the Company. There are no such lawsuits or claims as of October 7, 2022.

F. Retirement Plan

Effective October 1, 2022, the Company became a participating employer in the 401(k) plan held with Bobby Cox Companies, Inc. (the "Plan"). Employees must be twenty-one years of age and have completed one year of service to be eligible to participate in the Plan. Eligible employees may contribute up to 100% of their earnings, not to exceed limits set by Federal law.

G. Subsequent Events

In preparing the financial statement, management has evaluated all subsequent events and transactions for potential recognition or disclosure through November 15, 2022, the date the financial statement was available for issuance.

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT

GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is signed on _____ by _____ (“Franchisee”) and _____ (“Guarantors”) as a condition of (1) the transfer of the Southern Solar Franchise Agreement dated _____ between Southern Solar Franchise Systems, LLC (“we”, “us” or “our”) and Franchisee (“Franchise Agreement”); or (2) the signing of a successor Franchise Agreement between Franchisee and us.

1. Release by Franchisee and Guarantors. Franchisee (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the “Releasors”) freely and without any influence forever release (i) us, (ii) our past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities, and (iii) our parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities, (collectively, the “Released Parties”) from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “Claims”), which any Releasor ever owned or held, now own or hold, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances and claims arising out of, or relating to, the Franchise Agreement and all other agreements between any Releasor and us or our parent, subsidiaries, or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

2. Risk of Changed Facts. Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 will nevertheless be effective in all respects and not subject to termination or rescission by virtue of any difference in facts.

3. Covenant Not to Sue. Franchisee and Guarantors (on behalf of all Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. No Prior Assignment and Competency. Franchisee and Guarantors represent and warrant that: (i) Releasors are the sole owners of all Claims and rights released in Section 1 and that Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (ii) each Releasor has full and complete power and authority to sign this Release, and that the signing of this Release will not violate the terms of any contract or agreement between them or any court order; and (iii) this Release has been voluntarily and knowingly signed after each of them has had the opportunity to consult with counsel of their own choice.

5. California Release. California Civil Code §1542 provides as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which, if known by him must have materially affected his settlement with the debtor.

CIVIL CODE §1542 IS WAIVED BY THE PARTIES, EXCEPT AS OTHERWISE PROVIDED IN THIS GENERAL RELEASE.

6. Complete Defense. Franchisee and Guarantors: (i) acknowledge that the release in Section 1 is a complete defense to any Claim released under Section 1; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any Claim.

7. Successors and Assigns. This Release inures to the benefit of and binds the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor.

8. Counterparts. This Release may be signed in 2 or more counterparts (including by facsimile), each of which will be deemed an original, and all of which constitute one and the same instrument.

9. Capitalized Terms. Any capitalized terms that are not defined in this Release have the meaning given them in the Franchise Agreement.

IN WITNESS WHEREOF, Franchisee and Guarantors have signed this Release as of the date shown above.

FRANCHISEE:

_____

Witness:

By: _____

_____
Name:
Title:

Name:
Title:

Date: _____

GUARANTORS:

Witness:

_____

A _____ resident

_____
Name:
Title:

Date: _____

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES

NONE

EXHIBIT H TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF FORMER FRANCHISEES WHO LEFT IN THE PRIOR FISCAL YEAR

NONE

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

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	November 29, 2022
Maryland	
Michigan	January 19, 2023
Minnesota	
New York	
North Dakota	February 7, 2023
Rhode Island	January 30, 2023
South Dakota	January 18, 2023
Virginia	February 6, 2023
Washington	
Wisconsin	January 13, 2023

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I TO FRANCHISE DISCLOSURE DOCUMENT

RECEIPT PAGES

RECEIPT

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

If Southern Solar Franchise Systems, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Michigan and Oregon require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Southern Solar Franchise Systems, LLC 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, D.C. 20580 and any applicable state agency (as listed in ***Exhibit D*** to this disclosure document).

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

Name	Principal Business Address	Telephone Number
Shane Lynch	5000 Overton Plaza, Suite 200, Fort Worth, TX 76109	(817) 377-6360

Issuance Date: November 28, 2022

I received a Disclosure Document dated November 28, 2022. The Disclosure Document included the following Exhibits:

A. Franchise Agreement
B. State Specific Addenda
C. Table of Contents of Confidential Franchise Operations Manual
D. List of State Administrators and Agents for Service of Process
E. Financial Statements
F. General Release
G. List of Current Franchisees
H. List of Former Franchisees Who Left in the Prior Fiscal Year
I. Receipts

Dated:_____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Limited Liability Company)

[Keep this page for your records]

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I. Receipts

Dated:_____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Limited Liability Company)

[Sign and return this page to Southern Solar Franchise Systems, LLC]