



Welcome to your franchise plan



2023 Ownership Summary



**Making a sound decision for
your future is hard. Really hard.**

**Yes, you want to be the
decision-maker of your life.**

Yes, you want to be your own boss.

**And yes, you want your work to
make a difference for your family,
community, and planet.**

**But none of that matters if you
burn out figuring out how to do it.**

Starting with Carbon Recall® takes the burden out of finding, testing, and fine-tuning everything you need to enter an explosive-growth industry with your own business.

Because we've already been there and back. And we've helped owners streamline their own path to success.

And we know what it takes.

With a powerful suite of services, we'll help you make the most out of what you do best, but with the tools you need to thrive on your own.



**“I wish I would’ve done this about
15 years ago.”**

- Donald Lewis, Franchise Owner

**“Knowing what I know now I
would do it 10 times over.”**

- PJ Patel, Franchise Owner

**“Having that local presence with
our national name is so valuable.”**

- Joel Robinson, Franchise Owner

**“Every day I’m learning something
new and at the end of the day I
enjoy what I’m doing now about
100 times more than I did before.”**

- Josh Elkins, Franchise Owner

Included in your Franchise

Technology Suite	6
Marketing Suite	15
Training Platform	24
Sales Platform	31
Support System	38
Territory	43
Investment	47



**PJ Patel,
Franchise Owner**

A close-up, over-the-shoulder view of a man with short dark hair and glasses, wearing a dark blue ribbed sweater. He is looking down at a smartphone held in his hands. The phone's screen displays a grid of colorful app icons. In the background, a laptop screen is visible, showing a blurred interface with a red bar and some text. The overall scene is dimly lit, suggesting an office or workspace environment.

Technology Suite

You've got a business to run.

Not an IT department to manage.

To give you the best tools to run your business, we've developed our Technology Suite with the world's most innovative softwares in renewable energy, so you can create solar designs simply and manage day-to-day projects with ease.

WHAT'S INCLUDED?

Account Management	8
Solar Proposal and Design	10
Project Management	12



CARBON RECALL® PROFILE
John Newman
Atlanta, GA

IGLOO

Approved Supplier Roster

Franchisee Executive Summary

Franchisee Marketing

Franchisee Onboarding

Training & Education

Operations

sign out

Files

Download This Folder

News File Dept Rooms More

Title	Comments	Size	Type
APPROVED SUPPLIER ROSTER	1 item		Folder
2017 Approved Supplier Roster.pdf	194 KB		Adobe Acrobat
FRANCHISEE EXECUTIVE SUMMARY ARCHIVES	4 items		Folder
Volume 1 (2015).pdf	3.2 MB		Adobe Acrobat
Volume 2 (2016).pdf	17.7 MB		Adobe Acrobat
Volume 3 (2017).pdf	21.7 MB		Adobe Acrobat
FRANCHISEE MARKETING CAMPAIGNS	4 items		Folder
ADVERTISING SHOWCASE	25 items		Folder
CR Cape Girardeau	9 items		Folder
CR Macon	7 items		Folder
FRANCHISEE ONBOARDING	6 items		Folder
Brand Standards Manual 2017	2 items		Folder
Carbon Recall Logo	1 item		Folder
Operations Manual 2017	2 items		Folder
Post-Operations Training Checklist	3 items		Folder
Pre-Operations Education Checklist	3 items		Folder
Vehicle Van Wrap Graphics	2 items		Folder
FRANCHISEE TRAINING & EDUCATION	2 items		Folder

Viewed 1,074 times

Account Management

Get all the right tools. All in one place.

Carbon Recall® Account Management is your one mission control center for business, wherever you go.

Communication

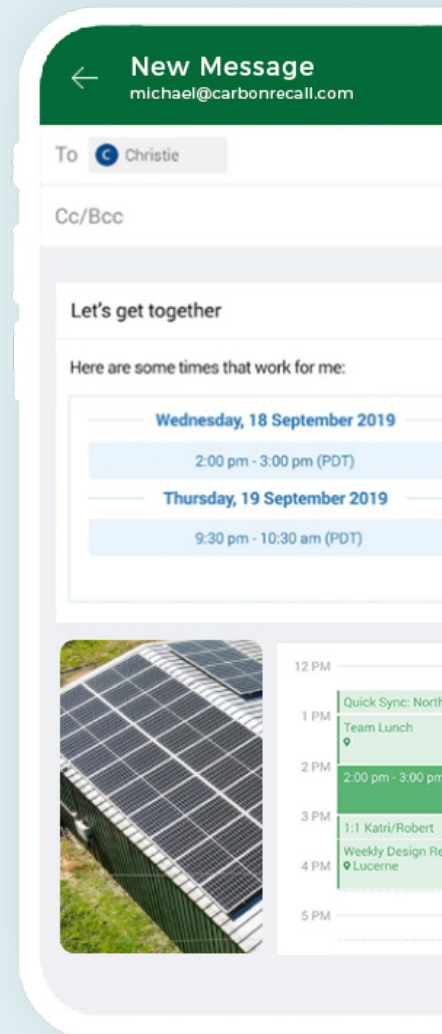
Send emails like a world-class business, even if you're starting from a home office.

Collaboration

Schedule meetings and stay connected with your customers.

Administration

Get private access set up on all your devices.



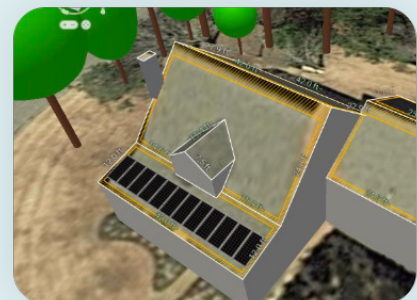


Turn any roof into your own masterpiece.

Confidently create solar projects with an all-in-one solution to streamline your entire solar design and proposal process.

Design

All you need is an address and electric bill to start a solar project.



Engineer

Create a professional solar system quickly and easily.

16 Panel Production 

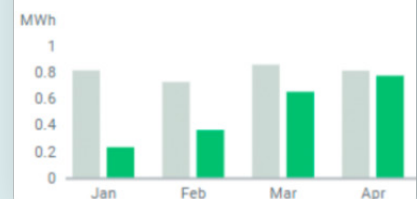
ANNUAL PRODUCTION

7,446 kWh
Energy

Present

Send a complete sales proposal in minutes.

MONTHLY PRODUCTION





Project Management

Work anywhere you want. When you want.

From the office to the back porch hammock, our platform brings all your customer data into one place so you can manage projects, wherever you are.

Organize

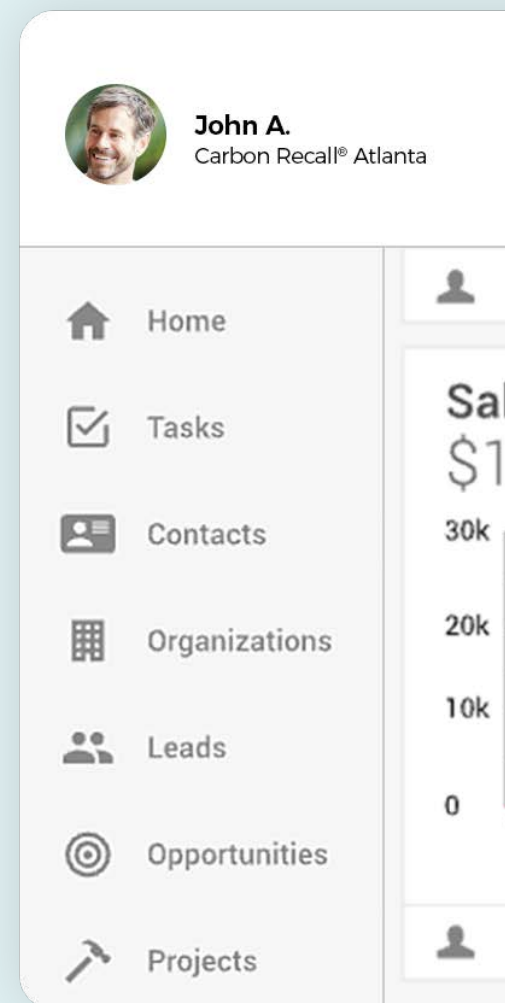
Easily see the status of every lead.

Schedule

Plan and track any project at any stage.

Execute

Work remotely with mobile apps.



Here's how your Technology Suite works:

As a Carbon Recall® Franchise Owner, your Technology Suite will help you start your business smarter from day one.

Manager

3 users

Technology Suite

Account Management

Project Management

Developer

5 users

Technology Suite

Account Management

Project Management

An aerial photograph of a residential neighborhood. The houses have brown roofs, and many have solar panels installed. A central road runs vertically through the middle of the image, with a white van parked on it. The text "Marketing Suite" is overlaid in the center of the image.

Marketing Suite

Get your first customer faster.

Start with a marketing plan that works.

Whether you're a marketing pro or new to the game, we'll help you generate the high quality leads you need to grow your business.

WHAT'S INCLUDED?

Website Development	17
Social Media Marketing	18
Branding and Design	19
Advertising and Campaign Creation	20



For Home

For Business

Solutions

About Us

Contact

408.226.2020

Lower my electric bill

Cut your
electric bill
in half.



Request your
FREE solar quote



First Name

Last Name

Email

Hit the ground running with a website that's far from ordinary.

Build a strong online presence and look like an expert right from the start. No coding experience necessary.

Drive traffic

Capture lead information directly from your website.

Rank in search

Give your business the credibility it deserves.

Ongoing maintenance

Get a secure website that loads fast and looks great on any device.

Be where your customers already are.

Extend your reach with pre-built Facebook and Instagram accounts for your business.

Attract more leads

Launch ads directly from your own Facebook business account.

Target with confidence

We'll help you choose the right audience to promote your services.

Reduce guesswork

Get step-by-step support to launch successful ads.

Make a powerful first impression. Every time.

You never get a second chance to make a first impression. Start strong with a brand identity that attracts customers and communicates the right message.

Wear your business with confidence

Deliver an unmistakable appearance with complete apparel, outfit, and style designs.



Stand out from the rest

Make yourself known with federally registered logos (®), trademarks, and more.

Promote your business.

Carbon Recall® Advertising Campaigns are designed to help you connect with people you care about in your community – no marketing experience needed.

Advertising Materials

Get a complete collection of personalized advertising tools:

- Door hangers
- Canvas billboard ads
- Digital billboard ads
- Newspaper ads
- Referral cards
- Letterheads
- Signage
- Vehicle wraps & decals
- Sales brochures
- Trade show & expo displays



Campaign Creation

Send ready-made marketing campaigns and develop valuable leads with ease.

↓ Engage with email

Send custom email marketing templates.

↓ Launch a sales funnel

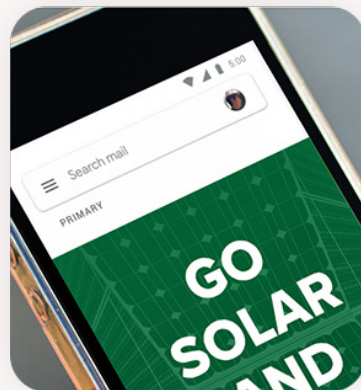
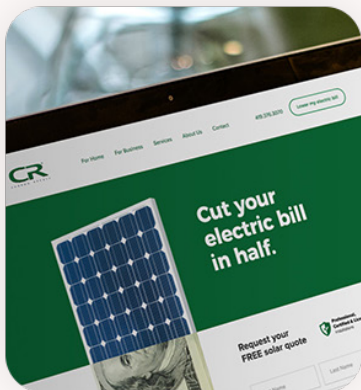
Drive leads with your own website landing page.

↓ Spread the word online

Get custom Facebook, Google, and Instagram Ads.

↓ Say hi in real life

Send personalized postcards to your target audience.



Here's how your Marketing Suite works:

As a Carbon Recall® Franchise Owner, your Marketing Suite gives you access to a full library of customized advertising materials and your choice between annual, biannual or quarterly marketing campaigns.

<p>Manager</p> <p>Biannual Marketing Campaigns</p> <p>Website Development Social Media Marketing Branding and Design</p> <hr/> <p>+ Advertising Materials</p>	<p>Developer</p> <p>Quarterly Marketing Campaigns</p> <p>Website Development Social Media Marketing Branding and Design</p> <hr/> <p>+ Advertising Materials</p>
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Training Platform

Turn your home office into a total powerhouse.

Learn how to build your solar business.

With the Carbon Recall® Training Platform, you'll get access to the latest content, course material, and resources needed to set yourself up for success. Wake up every day eager to learn how to launch your business, build your team, and scale your operation smoothly – it's all a click away.

WHAT'S INCLUDED?

Online Training	25
On-Demand Operations	26
Progress and Assessments	27
Ongoing Access	28

You don't need to reinvent the wheel.

Discover what our most successful franchise owners did to grow their business and how you can apply those same strategies in your market.

Learn the basics

Become a solar energy genius in less than 30 days.

Avoid rookie mistakes

Save yourself the time (and money) on things that don't work.

Grow faster

Get up to speed on time-tested business practices.

Never lose sight of where you're going.

Take the guesswork out of entrepreneurship with step-by-step guidance to run your franchise with confidence. Carbon Recall® provides a complete On-Demand Operations manual to help you:

Establish your business

Get every process, policy, and procedure all in one place.

Run your business

Set up your supply chain and work with approved vendors.

Manage your business

Hire contractors, send agreements, and track your cash flow.

Track your progress to launch.

From certification to your first installation, you'll learn the basics while completing essential steps through every stage of your business building journey.

Test comprehension

Take assessments to measure your subject knowledge.

Track progress

Finish short checklists to help launch your business.

Master your business

Understand every aspect of your franchise inside and out.

The screenshot shows a 'PROGRESS' section titled 'Track your progress'. It lists five tasks, each with a green checkmark icon: 'Intro to Sales Prospecting', 'Getting Quality Leads', 'Warm up cold calls', 'Follow up process', and 'Customize emails'. Below this is a green card for a 'podcast #7 Sales Prospecting' titled 'Sales training session', moderated by Darko Kapelina, featuring a play button icon and the Carbon Recall logo. At the bottom, there is a 'Worksheet.pdf' link and a green 'Download' button.

Ongoing Access

Learn anytime, anywhere, at your own pace.

Whether it's in sales recruiting, field operations, invoicing payments, customer service, and more, Carbon Recall® delivers a complete online learning experience you'll value for life. Training lessons are available anytime, anywhere on your smartphone or personal computer.

Manager

Growth

Training Platform

Online Training

On-Demand Operations

Progress and Assessments

Developer

Full-Scale

Training Platform

Online Training

On-Demand Operations

Progress and Assessments



**Josh Elkins,
Franchise Owner**

A close-up photograph of a middle-aged Black man with short hair and a goatee, wearing black-rimmed glasses and a brown polo shirt. He is smiling and looking down at a black smartphone he is holding with both hands. He is also wearing a dark blue smartwatch on his left wrist and a silver ring on his left hand. The background is a soft, out-of-focus light color.

Sales Platform

Take command of your territory.

Close deals like a boss.

The first four courses in the Sales Platform will give you the confidence to sell solar services to a friend or a new client wherever they are – over the phone, face to face, and everywhere in-between. You'll gain technical expertise through step-by-step lessons, and you'll grow professionally through practical role-playing exercises to bring your sales skills to life.

WHAT'S INCLUDED?

Pipeline Planning	32
Prospecting Playbook	33
Value Proposition Mastery	34
The Perfect Proposal	35

Convert possible to profitable.

The Pipeline Planning course teaches you how to create a proven, repeatable plan for handling leads and then converting those leads to customers.

You'll learn how to:

Build an effective pipeline

Unlock the potential of every lead you receive.

Handle all different leads

Create a consistent and reliable lead follow-up process.

Organize prospect information

See the past and present of every deal in your Project Management platform.

Create a constant lead flow.

How do you get someone you don't know interested in your services? The Prospecting Playbook teaches you how to stand out from the crowd, craft emails and voicemails that get a response, and how to get your prospects attention.

You'll learn how to:

Never be ignored

Personalize emails, voicemails, and texts that get a response within 24 hours.

Know what clients want

Determine different types of buyers and how to best speak to them.

Build a referral network

Connect with local business owners to create a constant lead generator.

They answered your call. Now what?

Explain what you do in a way that draws people in. In the Value Proposition Mastery course, you'll learn how to eliminate confusion and create a clear message your client responds to.

You'll learn how to:

Let it roll off your tongue

Create a one-liner that clearly explains your value to customers.

Speak with confidence

Go into sales conversations prepared and focused.

Handle objections early

Identify and navigate common objections effectively.

Win more business and make more money.

Sure, proposals seem simple, but not sending the right proposal can have massive consequences. The Perfect Proposal course teaches everything you need to craft effective solar proposals that win projects and close deals.

You'll learn how to:

Negotiate less

Stand out as the best, and that doesn't mean the cheapest.

Never guess

Respond to a proposal request the right way every time.

Save time

Know exactly when and how to send proposals.

Here's how your Sales Platform works:

As a Carbon Recall® Franchise Owner, you'll have ongoing access to the Sales Platform of your choice.

Manager

Solar+Storage

Sales Platform

Everything in Solar, plus:

Generator Sales

Energy Storage Sales

Solar+Storage Sales

Developer

Fully Integrated

Sales Platform

Everything in both, plus:

Geothermal Sales

EV Charging Sales

Commercial Sales

Support System

CR
CARBON RECALL

Our team works to make your dream work.

Let's take the leap together.

WHAT'S INCLUDED?

Startup Assistance

40

Ongoing Support

We're with you.

As a privately held company, our interests are vested in each franchise owner. Because we believe that business, at its best, improves the lives of our customers and owners – rather than marginal shareholders. You come first in everything we do, and our support team is with you every step of the way.



Startup Assistance

Support when you need it.

Just because you're doing it yourself, doesn't mean you have to do it alone. Whether it's a pressing matter or a question about an upcoming project, your dedicated franchise support specialist is available to guide you in the right direction — at no extra cost.

Ongoing Support

From first sale to full scale.

Carbon Recall® is an always-improving system that adds new support, sales, and marketing features every month. And this team helps make sure you get the latest education and guidance with weekly updates, executive summaries, and more.

**Contact support 24/7 as a
Carbon Recall® Franchise Owner.**

A man with dark hair and sunglasses on his head is wearing a bright green t-shirt and a black backpack. He is looking off to the right with a thoughtful expression. The background shows a vast, hazy mountain range under a clear sky. The word "Territory" is overlaid in white text across the center of the image.

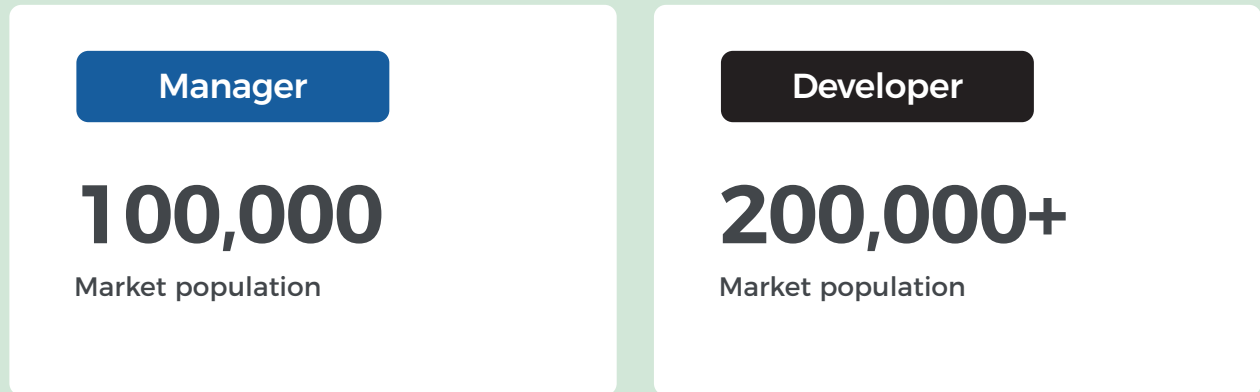
Territory

Designed with your legacy in mind.

Each new territory is carefully crafted between you and the Carbon Recall® development team. Every franchise market is designed to be large enough to ensure you can continuously grow your operation for years to come, or pass down your business for those to come.



Franchise territory sizes:



Availability may be limited

A territory in a densely populated area may have a smaller geographic footprint than one in a less densely populated area. Ideally, the franchise owners home of operation should be as centrally located within the territory as possible. Population sizes may vary.

Your Territory will be identified in an attachment to your Franchise Agreement. The Franchise Agreement for your Carbon Recall Franchise grants you an exclusive territory (“Territory”) based on the geographic area and populations properties within that area and other relevant demographic characteristics.

CR[®]

C A R B O N R E C A L L

Tupelo

Carbon Recall[®]
Tupelo, Mississippi





Investment

Invest in your future.

You deserve to build a life-changing business.

Carbon Recall® offers two main franchise ownership plans: Manager or Developer.

Whether you're just starting out, growing your next business, or shifting your career into warp drive, we have an option that meets your goals.

Ownership plans.

Simple and transparent investment options.

Manager

\$25,000

Initial Franchise Fee

100,000

Territory Size

5% Royalty

5 year franchise term

Biannual Marketing Suite

Growth Training Platform

24/7 Support

\$779/month

Tech Suite · Up to 3 Users

Developer

\$50,000

Initial Franchise Fee

200,000+

Territory Size

5% Royalty

5 year franchise term

Quarterly Marketing Suite

Full-Scale Training Platform

24/7 Support

\$779/month

Tech Suite · Up to 5 Users

If you desire to upgrade your Franchise from a Franchise Manager to a Developer Franchise, then, subject to availability of the upgrade and to our approval which we may withhold in our sole discretion, you may do so provided you pay us the difference between the Initial Franchise Fee paid for your Franchise and the then-current fee for the desired upgrade and that you sign an amendment to the Franchise Agreement.

Each company's costs will differ, and costs will depend on a number of factors, including the owner's efforts and management of expenses as well as the size of the company.

Review the Carbon Recall Franchise Disclosure Document (FDD) for all estimated initial investments and fees.



Schaun Flaim,
Franchise Owner

FRANCHISE DISCLOSURE DOCUMENT



Carbon Recall, LLC
a Georgia limited liability company
8000 Avalon Blvd.
Suite 100 and 200
Alpharetta, GA 30009
Phone: (844) 255-5022
Email: info@carbonrecall.com
www.carbonrecallfranchise.com

Carbon Recall businesses provide renewable energy services and residential and commercial property improvement services to property owners (“Carbon Recall Business(es)”). We offer franchises for single Carbon Recall Businesses.

The total investment necessary to begin operation of a Carbon Recall Business is between \$31,500 and \$79,690. This includes between \$25,000 and \$50,000 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Darko Kapelina at 8000 Avalon Blvd., Suite 100 and 200, Alpharetta, GA 30009, info@carbonrecall.com, (844) 225-5022.

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, DC 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: April 21, 2023

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Carbon Recall 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 Carbon Recall franchisee?	Item 20 or Exhibit G 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 A.

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

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. 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 Georgia than in your own state.

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
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.

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

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

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

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

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

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

The fact 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 Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (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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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “CRL” and “we,” “us,” and “our” means Carbon Recall, LLC, the franchisor. “You,” “your,” and “Franchisee” means the person, and its owners if the franchisee is a business entity, who buys the franchise from CRL.

The Franchisor, its Parent and Affiliates

Carbon Recall, LLC is a Georgia limited liability company formed in August 2014. We operate under our corporate name and the name Carbon Recall. Our principal business address is 8000 Avalon Blvd., Suite 100 and 200, Alpharetta, GA 30009. We began offering franchises for Carbon Recall Businesses in March 2015. We have not and do not operate any franchises like those described in this Franchise Disclosure Document, or in any other line of business. We do not conduct any other business other than franchising Carbon Recall Businesses. We have no predecessor or parent entities or affiliates.

Our agent for service of process in Georgia is Darko Kapelina, 8000 Avalon Blvd., Suite 100 and 200, Alpharetta, GA 30009. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

We offer franchises (“Carbon Recall Franchise(s)” or “Franchise(s)”) for the use of our “CARBON RECALL” trademarks, trade names, service marks, and logos (“Marks”) for the operation of Carbon Recall Businesses. Carbon Recall Businesses are operated under our proprietary Carbon Recall system (“System”). The System may be changed or modified by us throughout your ownership of the Franchise. You will most likely operate your Carbon Recall Business from your home, but you may choose to rent an executive suite, office, or other commercial office space. You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C (“Franchise Agreement”). You may operate one Carbon Recall Business for each Franchise Agreement you sign.

The Market and Competition

Carbon Recall Businesses service the needs of residential and commercial customers. Our services are not seasonal in nature. The market for the renewable energy services offered by Carbon Recall Businesses is still developing and is highly-competitive. Carbon Recall Businesses compete with other businesses, including franchised operations, national chains, and independently owned companies offering residential and commercial renewable energy services, property improvement services, and other related services. You will also face normal business risks that could have an adverse effect on your Carbon Recall Business. These include industry developments, such as pricing policies of competitors, consumer tastes, and supply and demand.

Industry-Specific Regulations

Carbon Recall Businesses are subject to all of the laws, statutes, codes, ordinances, and regulations normally applicable to service businesses. These include federal, state, and local laws. You must comply with all local, state, and federal laws and regulations. Most states and local jurisdictions have enacted laws,

rules, regulations, and ordinances that may apply to the operation of your Carbon Recall Business. These regulations may establish certain standards, specifications, and requirements that must be followed by you. You must also obtain all necessary permits, licenses, and approvals to operate your Carbon Recall Business. You are responsible for investigating and complying with all applicable laws and regulations. You should consult with a legal advisor about whether these and/or other requirements apply to your Carbon Recall Business.

**ITEM 2
BUSINESS EXPERIENCE**

President and Founder: Darko Kapelina

Mr. Kapelina is our Founder and President in Atlanta, Georgia, and has been since our inception in August 2014.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

You must pay us an “Initial Franchise Fee” when you sign the Franchise Agreement. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your Carbon Recall Business and also offsets some of our franchisee recruitment expenses. The Initial Franchise Fees are as follows:

Franchise	Territory Population	Initial Franchisee Fee
“ <u>Manager Franchise</u> ”	50,000 to 100,000	\$25,000
“ <u>Developer Franchise</u> ”	200,000+	\$50,000

The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your Carbon Recall Business and also offsets some of our franchisee recruitment expenses. The Initial Franchise Fee is deemed fully earned by us once paid and is non-refundable. During our last fiscal year ended December 31, 2022, we collected Initial Franchise Fees ranging from \$25,000 to \$50,000.

**ITEM 6
OTHER FEES**

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Royalty ⁽²⁾	5% of Gross Revenues	Beginning 30 days after the effective date of the Franchise Agreement, the royalty is due by the 5 th day of each calendar month for the previous month	The “ <u>Royalty</u> ” is based on “ <u>Gross Revenues</u> ” during the previous month. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Conversion Royalty ⁽²⁾	\$250 per month or 5% of Gross Revenues, whichever is greater	Beginning 30 days after the effective date of the Franchise Agreement, the royalty is due by the 5 th day of each calendar month for the previous month	If you are a “ <u>Conversion Owner</u> ,” you will pay the “ <u>Conversion Royalty</u> ” instead of the Royalty. A “ <u>Conversion Owner</u> ” is a franchisee that has operated a Business similar to a Carbon Recall Business for at least six (6) months at the time they sign the Franchise Agreement.
Brand Building Fund Contribution	Up to 2% of Gross Revenues	Beginning in the first month of operations	We do not currently charge this fee. The brand building fund is discussed in Item 11.
Unauthorized Advertising Fee	\$500 per occurrence	On demand	This fee is payable to us, or if established, the brand building fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Audit Expenses	Cost of audit and inspection, any understated amounts, plus late fees on understated amounts from the date originally due until the date of payment, and any related accounting and legal expenses (we estimate this cost to be between \$1,000 and \$15,000)	Within 15 days after receiving examination report	Payable if an audit reveals that you understated monthly Gross Revenues by more than two percent (2%) or you fail to submit required reports.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Transfer Fee	\$5,000 if the transfer is to a third party; \$2,500 if the transfer is to an existing Carbon Recall franchisee; or legal costs incurred if you transfer your Carbon Recall to an entity wholly owned by you	\$1,000 non-refundable deposit when you request approval of a transfer and the remaining balance of fee in certified funds when you execute the transfer documents	Payable in connection with the transfer of your Carbon Recall Business, a transfer of ownership of your legal entity, or the Franchise Agreement. There are various other conditions you must meet for us to approve your transfer request.
Ongoing Training Fees ⁽³⁾	Then-current fee (currently approximately \$500 per attendee per day, plus expenses)	As incurred	We provide initial training at no charge for certain persons, provided that all such persons attend training at the same time, but we may charge you for training additional persons, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee amount will depend on the training required and experience level of the trainer.
Franchise Upgrade	The difference between the Initial Franchise Fee paid and the Initial Franchise for the upgraded franchise	As incurred	If you desire to upgrade from a Manager Franchise to a Developer Franchise, subject to availability and our approval, you will pay the difference between the Initial Franchise Fee paid for your Franchise and the desired upgrade.
Late Payment Fee	The lesser of \$25 per day (or the highest amount allowed by law beginning with the original due date and accruing until the original amounts plus late fees are paid off)	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until the original amounts plus late fees payment is received in full.
Territory Infringement Fines	\$500 per occurrence	Payable within five days after infringement is proven	Payable to us or, in our discretion, our franchisee, if you infringe on another Carbon Recall franchisee's territory by receiving payment for products and/or services provided and/or rendered within the other franchisee's territory without his or her permission. We may direct the funds at our option (See Item 12).



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Insurance	You must reimburse our costs plus a 20% administrative fee	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus an administrative fee of 20% for our time incurred in obtaining such insurance.
Management Fee	\$200 per day, plus our (or the third party's) direct out-of-pocket costs and expenses	As incurred	Payable if we manage the Carbon Recall Business (for a period of up to 60 days) because you are in breach of the Franchise Agreement.
Indemnification	All amounts (including attorney fees) incurred by us or otherwise required to be paid	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Carbon Recall Business or Franchise.
Customer Issue Resolution	Reasonable costs we incur for responding to a customer complaint, which varies	On invoice	Payable if a customer of your Carbon Recall Business contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement, or payable for any fees we incur for any transfer that is not completed.
Failure to Submit Required Report Fee	\$100 per occurrence and \$100 per week	Your bank account will be debited for failure to submit any requested report within five days of request from us	Payable to the brand building fund, if established, or us if you fail to submit any required report or financial statement when due. You will continue to incur this fee until you submit the required report.
Insufficient Funds Fee	The greater of \$100 per occurrence or the highest amount allowed by law	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment, or any similar event.
Successor Franchise Fee	25% of the then-current Initial Franchise Fee	At the time you sign the successor franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement. This fee is also commonly referred to as a "renewal fee." If we are not offering Franchises at the time of your renewal, the renewal fee will be \$12,500.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Technology Fee ⁽⁴⁾	\$579 to \$779 per month	Beginning 30 days after the effective date of the Franchise Agreement, the technology fee is due by the 5th day of each calendar month for the previous month	<p>This “<u>Technology Fee</u>” fee covers designated software, franchisee’s website URL domain registration, hosting fees, security and maintenance, cloud storage, intranet access, email domain registration, and other services for the first year. After the first year, the Technology Fee is reduced to \$579 however you must pay for the cost of designated software that was included in the first 12 months. We reserve the right to upgrade and modify the software during the first year.</p> <p>You will be responsible for any increase in Technology Fees that result from technology upgrades or the implementation of support software or from increases from third-party vendors. Manager Franchises receive email domains and training support for up to three users. Developer Franchises receive email domains and training support for up to five users.</p>
Convention Fee	Up to \$500	On demand	We may charge you an attendance fee for our annual meeting of all Carbon Recall Franchises. This fee will cover our costs for conducting the annual meeting. This fee is due regardless of whether or not you attend our annual convention in any given year for any reason. We do not anticipate having a convention until we have at least 100 Carbon Recall Franchises.
Supplier and Product Evaluation Fee	Cost of inspection estimated to be approximately \$100 to \$500)	As incurred	Payable if we inspect a new product, service, or proposed supplier nominated by you.
Broker Fees	Our actual cost of the brokerage commissions, finder’s fees, or similar charges	As incurred	If you transfer your Carbon Recall Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder’s fees and similar charges.

Notes:

1. Fees. All fees paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable, depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via automated clearing house (“ACH”) or other similar means. You are required to complete the ACH authorization (in the form attached to this Franchise Disclosure Document

in Exhibit G-4). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. Gross Revenues. The term “Gross Revenues” means the total selling price of all products and services sold at, from, or through your Carbon Recall Business, whether or not sold or performed at or from the Carbon Recall Business, including the full redemption value of any gift certificate or coupon sold for use with the Carbon Recall Business operation (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from this calculation) and all income and revenue of every other kind and nature related to the Carbon Recall Business operation, whether for cash or credit, and regardless of collection in the case of credit. Gross Revenues does not include: (1) the amount of any tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers; provided that the amount of any such tax is shown separately and paid by you to the appropriate governmental authority; (2) all customer refunds, valid discounts, and coupons as authorized in writing by us, and credits made by the Carbon Recall Business (exclusions will not include any reductions for credit card user fees, returned checks, or reserves for bad credit or doubtful accounts); and (3) any revenue generated from any authorized sales by you through the Carbon Recall website.
3. Ongoing Training Fees. You and/or your designated manager, and any of your staff that we designate, must attend and satisfactorily complete all training courses, continuing education courses, seminars, refresher training programs, and all meetings related to new products or services, new operational procedures or programs, training, management, sales or sales promotion, or similar topics (collectively, “Ongoing Training”) that we periodically provide, or designate a third party to provide, at the location(s) we designate, and as required in the Operations Manual and Brand Standards Manual. You also may request that we provide you and/or your employees with specific types of Ongoing Training, which we may provide to you in our sole discretion. We may charge tuition fees for Ongoing Training. Attendance at Ongoing Training will be at your sole expense, which we estimate to be \$500 per day, plus expenses.
4. Technology Fee. We will provide you with certain technical services in exchange for your monthly technology fee, which may change from time to time based on changes to the technical services we provide and/or our costs to provide these services. We reserve the right to enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology. We also reserve the right to create proprietary software or technology that must be used by Carbon Recall franchisees, in which case we may require that you enter into a license agreement with us and pay us reasonable initial and ongoing licensing, support and maintenance fees. We can change the software and technology that must be used by our franchisees at any time, which may result in changes to the technology fee.



ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$25,000	\$50,000	Lump Sum	Upon Signing Franchise Agreement	Us
Licenses ⁽²⁾	\$100	\$500	As Incurred	Before Opening	Third Parties
Supplies ⁽³⁾	\$250	\$750	As Incurred	Before Opening	Third Parties
Training Expenses ⁽⁴⁾	\$800	\$2,800	As Incurred	As Incurred	Third Parties
Computer Equipment, Smartphone, Tablet, Software, and Internet Service ⁽⁵⁾	\$600	\$6,040	As Incurred	As Incurred	Third Parties
Vehicle ⁽⁶⁾	\$0	\$1,800	As Incurred	As Incurred	Third Parties
Vehicle Registration Fees	\$0	\$300	As Required	Before Opening	Government Agencies
Vehicle Wrap	\$1,500	\$3,500	As Required	Before Opening	Third Parties
Insurance ⁽⁷⁾	\$500	\$1,000	As Incurred	Before Opening	Insurance Company
Personal Tools	\$250	\$1,000	As Incurred	As Incurred	Third Parties
Education and Certification ⁽⁸⁾	\$800	\$2,500	As Incurred	As Incurred	Third Parties
Initial Marketing Expenses ⁽⁹⁾	\$500	\$3,500	As Incurred	As Incurred	Suppliers
Additional Funds-3 Months ⁽¹⁰⁾	\$1,200	\$6,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT⁽¹¹⁾	\$31,500	\$79,690			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Carbon Recall Franchise. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

Because most of our franchisees will operate their Carbon Recall Business out of their residence, this chart does not include estimates for items such as real property, real estate deposits, leases, leasehold improvements, furniture, fixtures, fixed assets, remodeling, construction, decorating costs, utility deposits, or security deposits, which will likely not apply unless you acquire a business premises, which is unnecessary or likely. We assume you will not need to obtain desks, chairs, and other standard office supplies and equipment. Therefore, we do not include estimates for these items.

1. Initial Franchise Fee. See Item 5 for additional information about your Initial Franchise Fee.
2. Licenses. You must obtain the licenses and permits that are required by your city, county, and state to operate your Carbon Recall Business.
3. Supplies. This item includes an initial set of business cards, digital brochures, logo apparel, and office supplies.
4. Training Expenses. This item estimates the travel and living expenses that each individual will incur in connection with attending our initial training program. We provide training at our headquarters in Alpharetta, Georgia or at another location designated by us, including by webinar, teleconference or via an electronic training platform. The low end represents all training done by webinar, teleconference or via an electronic training platform. The high estimate provides for travel costs and fees charged by Carbon Recall trade consultants. You must pay for any airfare, transportation costs, lodging, meals, wages, and incidental expenses for all initial training program attendees if you choose to travel for training or to have Carbon Recall trade consultants travel to your location.
5. Computer Equipment, Smartphone, Tablet, Software, and Internet Service. We require that you have a computer, smartphone, and tablet that are capable of connecting to the Internet, and may be equipment that you currently own. You are required to use several cloud-based software programs. We estimate these expense amounts will be needed to get your Carbon Recall Franchise open for business (60 to 90 days from the signing of your Franchise Agreement) and for the initial three months start-up phase of your Carbon Recall Business after opening for business.
6. Vehicle. This item includes one vehicle which you will use in the operation of your Carbon Recall Business (“Vehicle”). You may use a vehicle you currently own as your Vehicle, provided it meets our specifications or you must lease or purchase a Vehicle. The low estimate assumes you own the Vehicle. The high estimate provided reflects three months of lease payments on either a 36-month or a 48-month lease for one Vehicle.

7. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Carbon Recall Business, your rates may be significantly higher than those estimated above. This estimate contemplates insurance costs for three months.
8. Education and Certification Expenses. This item estimates the cost of attaining professional credentials such as a North American Board of Certified Energy Practitioners (NABCEP) certification.
9. Initial Marketing Expenses. These amounts are an estimate of the amounts you will need to populate your Carbon Recall customer relationship management software with customer data and other marketing expenditures upon opening. We recommend, but do not require, that franchisees participate in marketing promotions for the first three months of operation. Your initial marketing expenses will vary depending upon a variety of factors including the nature of marketing you conduct and the location of your Carbon Recall Business.
10. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Carbon Recall Business. We do not anticipate you will hire any employees within your first three months of operation. These figures do not include standard pre-opening expenses, royalties, technology fees, or advertising fees payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start-up phase to be three months from the date your Carbon Recall Business opens for business. Our estimates are based on our experience and our current requirements for Carbon Recall Franchises. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Carbon Recall Business. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; competition; the sales level reached during the start-up period; and the size of your Carbon Recall Business.
11. These figures may vary. This is an estimate of your initial start-up expenses for one Carbon Recall Franchise. You should review these figures carefully with a business advisor, financial consultant, or other professional before deciding to purchase the Carbon Recall Franchise.

ITEM 8 RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

Standards and Specifications

You must operate your Carbon Recall Franchise in strict conformity with the methods, standards, and specifications we list in our proprietary and confidential operations manual (“Operations Manual”) and brand standards manual (“Brand Standards Manual”) (collectively, the “Manuals”), which may exist in various parts, locations, and formats, and may include a combination of written material, electronic media, website content, and/or software components. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System.

Our Manuals state our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your Carbon Recall Franchise. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Manuals or through written communication (including electronic communication). We will issue copies of our standards and specifications to you and approved and proposed suppliers unless these standards and specifications contain our confidential information.

You must purchase and use supplies and other items that conform to the standards and specifications described in the Manuals or otherwise in writing.

You must use the computer hardware and software that we periodically designate to operate your Carbon Recall Franchise. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify (which may be limited to us and/or our affiliates).

You must obtain and maintain, at your sole expense, the insurance coverage required under the Franchise Agreement. The current insurance requirements include comprehensive commercial general liability, product liability, and property insurance and other types of insurance we require. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with the Carbon Recall Business or activities of your personnel in the course of their employment. All of these policies must contain the minimum coverage we prescribe from time to time in our Manuals, and must have deductibles not to exceed the amounts we specify. Currently, we require: Commercial General Liability Insurance: A combined single limit for bodily injury and property damage of \$1,000,000 per occurrence with an annual aggregate of \$2,000,000; Business Automobile Liability Insurance: A combined single limit for bodily injury and property damage per accident of \$1,000,000 with an annual aggregate of \$2,000,000, covering “any auto” used during performance of business services, regardless of whether owned, not owned or hired; and Personal Injury: mandatory limits for personal injury protection and uninsured motorist coverage. If your state requires more coverage than we prescribe, you must obtain insurance that satisfies your state law requirements. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. Each insurance policy must name Carbon Recall, LLC as an additional insured, and the policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. The insurance company must be authorized to do business in the state where your Carbon Recall Business is located, and must be approved by us. It must also be rated “A” or better by A.M. Best & Company, Inc.

Approved Products, Distributors, and Suppliers

We have developed certain proprietary materials which are an integral part of the services performed by your Carbon Recall Business. You must: (1) use the materials we designate and only in the form and manner we prescribe; and (2) purchase all products, equipment, supplies and materials, and, upon our written consent, any comparable materials related to establishing or operating your Carbon Recall Business, from approved suppliers only (including manufacturers, wholesalers, and distributors). We are not an approved supplier of any product or service.

During our last fiscal year, ended December 31, 2022, neither we nor our affiliates sold or leased products or services to our franchisees.

We estimate that approximately 75% of purchases required to open and operate your Carbon Recall Business will be from us or from other approved suppliers and under our specifications.

We do not have purchasing and distribution co-operatives as of the Issuance Date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for our benefit, and we reserve the right to receive rebates or volume discounts from our purchase of products we may resell to you. We do not provide material benefits, such as renewing or granting additional Franchises to franchisees based on their use of designated or approved suppliers. There are no caps or limitations on the maximum rebates we may receive from our suppliers as the result of franchisee purchases.

We and our affiliates may receive rebates or other consideration from suppliers in consideration for goods or services that we require or advise you to obtain from approved suppliers, and we reserve the right to do so in the future. Our revenue or other consideration received may include promotional allowances, volume discounts, and other payments.

Approval of New Suppliers

We may update the list of approved suppliers in the Manuals. If you desire to have a non-approved supplier of a product or service designated as an approved supplier, you must submit samples of the supplier's products or services to us, along with a written statement describing why such items, services, or suppliers should be approved for use in the System. We reserve the right to charge a fee to evaluate the proposed supplier. We do not make our supplier specifications and/or standards generally available to franchisees or suppliers. While we must respond to a request within 60 days, we generally respond to a request for an additional approved supplier within seven days. Our written approval must be received before you use products not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section(s) in Franchise Agreement	Item in Franchise Disclosure Document
(a) Site selection and acquisition/lease	Section 2A	Items 7, 8, 11 and 12
(b) Pre-opening purchases/leases	Sections 2B, 2C and 2D	Items 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Sections 2A, 2B, 2C, 2D and 2F	Items 7, 8 and 11
(d) Initial and ongoing training	Sections 4A, 4B and 4C	Items 6, 7 and 11
(e) Opening	Section 2F	Item 11
(f) Fees	Sections 3, 4, 8, 9, 10, 11, 12, 13, 14, 16 and 17	Items 5, 6 and 7
(g) Compliance with standards and policies/brand standards manual	Sections 1E, 2C, 2D 2G, 3F, 4B, 4D, 4F, 5B, 8G, 9A, 9B	Items 8,11 and 16

Obligation	Section(s) in Franchise Agreement	Item in Franchise Disclosure Document
(h) Trademarks and proprietary information	Sections 5, 6, 7	Items 13 and 14
(i) Restrictions on products/services offered	Sections 1E, 2B, 7 and 9D	Items 8, 11, 12 and 16
(j) Warranty and customer service requirements	Section 8	Item 6
(k) Territorial development and sales quotas	Sections 1E and 1F	Item 12
(l) Ongoing product/service purchases	Sections 2C, 2D, 2G and 8	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Sections 8,12 and 13	Items 8, 11, 16 and 17
(n) Insurance	Sections 2F, 4A, 8G and 14B	Items 7 and 8
(o) Advertising	Sections 5B, 8 and 9	Items 6, 7, 8 and 11
(p) Indemnification	Sections 16D, 17F, and Owner's Agreement	Item 6
(q) Owner's participation/management/staffing	Sections 1C, 4F and 8F	Items 11 and 15
(r) Records and reports	Section 10	Items 6 and 17
(s) Inspections and audits	Section 11	Items 6 and 11
(t) Transfer	Section 12	Item 17
(u) Renewal	Section 13	Item 17
(v) Post-termination obligations	Section 15	Item 17
(w) Non-competition covenants	Sections 7 and 15E	Items 15 and 17
(x) Dispute resolution	Section 17	Item 17

ITEM 10 FINANCING

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

ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING

Except as listed below, CRL is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your Carbon Recall Franchise, we (or our designee(s)) will provide the following assistance and services to you:

1. Because you do not have to locate a site from which to operate your Carbon Recall Business, we do not provide you with assistance in doing so nor do we own any premises to lease to you. You may open an office, but it is not required. You are not required to obtain our approval for an office if you open one. The only requirement is that the office be located in your territory (See Franchise Agreement – Section 2A).
2. Provide mandatory and discretionary specifications for your Carbon Recall Business, including standards and suggested criteria for design, image, and branding of marketing materials, and other trade dress (See Franchise Agreement – Sections 8B and 8D).
3. Identify operating assets, computer hardware and software, and other products and supplies you must use to develop and operate your Carbon Recall Business; establish minimum standards and specifications you must satisfy while operating your Carbon Recall Franchise; and identify the designated and approved suppliers from whom you may purchase and/or lease items for your Carbon Recall Business (See Franchise Agreement – Sections 2, 4E and 8).
4. Loan to you, or make available to you on our website or intranet, one copy of our Manuals. The Operation Manual contains approximately 234 pages. The Brand Standards Manual contains approximately 43 pages. The tables of contents for the Operations Manual and the Brand Standards Manual are attached to this Franchise Disclosure Document as Exhibit D (See Franchise Agreement – Section 4D).
5. Provide an initial training program via an electronic training platform at our sole discretion (“Initial Training Program”) for up to five people (See Franchise Agreement – Section 4A). All persons who attend our Initial Training Program must complete it to our satisfaction.

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Carbon Recall Businesses.

Schedule for Opening

The typical length of time between signing the Franchise Agreement and the opening of the Carbon Recall Business can vary from 30 days to 90 days. You must schedule the opening of your Carbon Recall Business within 90 days after the effective date of the Franchise Agreement. Failure to open your Carbon Recall Business within 180 days from the effective date of the Franchise Agreement window is a material breach of the Franchise Agreement, which provides us with the right to terminate the Franchise Agreement. Some factors which may affect this timing are your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, your ability to obtain any necessary permits and certifications, and the time to complete required training.

You may not open your Carbon Recall Business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you have completed the Initial Training Program to our satisfaction, including completion of the “Pre-Operations Training Checklist”; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage, and payment of premiums we request; (5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered and received your business cards, digital brochures, logo apparel and office supplies. You must be prepared to open and operate your Carbon Recall Business immediately after we approve your Pre-Operations Training Checklist, which indicates that your Carbon Recall Business is ready for opening.

Continuing Obligations

During the operation of your Carbon Recall Business, we (or our designee(s)) will provide the following assistance and services to you:

1. Upon reasonable request, provide advice regarding your Carbon Recall Business’ operation based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion (See Franchise Agreement - Section 4C).
2. Inform you of mandatory standards, specifications, and procedures for the operation of your Carbon Recall Business, as described in Item 8 (See Franchise Agreement – Section 4C).
3. Continue to loan you or provide to you on our website, one copy of the Manuals, which may include audio and video media, compact disc media, computer software, other electronic media, and/or written materials. The Manuals contain mandatory and suggested standards, specifications, operating procedures, and rules (“System Standards”). We may modify the Manuals periodically to reflect changes in System Standards (See Franchise Agreement – Sections 4D and 8).
4. Issue and modify System Standards for Carbon Recall Businesses. We may periodically modify System Standards, and those modifications may require you to invest additional capital in the Carbon Recall Business and/or incur higher operating expenses (See Franchise Agreement – Section 8).
5. Allow you to continue to use confidential materials, including the Manuals, and the Marks (See Franchise Agreement – Sections 5 and 6).
6. Maintain and use the brand building fund to develop promotional and advertising programs for Carbon Recall Businesses, described in greater detail immediately below in this Item 11 (See Franchise Agreement – Section 9).
7. Maintain and administer one or more websites to advertise, market, and promote Carbon Recall Businesses, the products and services offered, and certain customers of Carbon Recall (each a “System Website”) (See Franchise Agreement – Section 9D).
8. Provide our advertising and promotional materials and services. The materials provided may include videos, copy-ready print advertising materials, posters, banners, and miscellaneous items. You will receive customized files at no charge. If you want to make any adjustments, you may incur additional costs (See Franchise Agreement - Section 9).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new services, new products, new equipment, or new techniques.
2. Make periodic evaluations of, or visits to, the Carbon Recall Business for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident as a result of any evaluation or visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.
3. Maintain and administer a brand building fund. We may dissolve the brand building fund upon written notice (See Franchise Agreement – Section 9C).
4. Hold periodic national or regional conferences to discuss business and operational issues affecting Carbon Recall franchisees.

Advertising

Brand Building Fund

We reserve the right to create a brand building fund for marketing, developing and promoting the System, Marks and Carbon Recall Franchises (“Brand Building Fund”). We plan to establish one when we have franchises in 35 states. When established, you must contribute up to two percent (2%) of your Gross Revenues to the Brand Building Fund (“Brand Building Fund Contribution”) at the same time you pay your royalty, based on the Gross Revenues you generated in the previous reporting period. The Brand Building Fund may allocate resources to advertise locally, regionally, and/or nationally, in printed materials, on radio, on television, and/or on the Internet, in our sole discretion.

The Brand Building Fund will be administered by us, or one of our affiliates or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Building Fund will be in a separate bank account, commercial account, or savings account. Your contribution to the Brand Building Fund will be in addition to all other advertising requirements set out in this Item 11. Franchisor-owned outlets are not required to contribute to the Brand Building Fund.

We have complete discretion on how the Brand Building Fund will be utilized. We may use the Brand Building Fund for local, regional or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose to promote the Carbon Recall brand. We may reimburse ourselves, our authorized representatives or our affiliates from the Brand Building Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Building Fund. We do not guarantee that advertising expenditures from the Brand Building Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located.

We will not use the Brand Building Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available” or similar phrasing or include information regarding acquiring a franchise on or as a part of materials and items produced by or for the Brand Building Fund.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Building Fund or to maintain, direct, or administer the Brand Building Fund. Any unused funds in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the Brand Building Fund on any terms we deem reasonable.

The Brand Building Fund is not audited. We will provide an annual accounting for the Brand Building Fund that shows how the Brand Building Fund proceeds have been spent for the previous year upon written request. We did not collect any Brand Building Fund Contributions during our last fiscal year, ended December 31, 2022. We currently do not collect this fee.

We may defer or reduce a franchisee’s Brand Building Fund Contributions and, upon 30 days’ prior written notice to you, reduce or suspend Brand Building Fund Contributions and operations for one or more periods of any length and terminate and reinstate the Brand Building Fund. If we terminate the Brand Building Fund, we will distribute all unused contributions to contributing franchisees, and to us or our affiliates, in proportion to respective contributions during the preceding 24-month period (See Franchise Agreement – Section 9C).

Local Advertising

CRL strongly recommends, but does not require, that you spend at least five percent (5%) of your monthly revenue on local advertising and marketing. These expenditures are subject to the approval and direction of CRL. You must state in all your advertisements and promotional materials (including business cards, order forms, and letterhead) that your Carbon Recall Business is independently owned and operated, using language that we may specify from time to time.

Marketing Resources, Pre-Approvals for Marketing Materials, and Internet Marketing

You must order sales and marketing material from us or our designated suppliers. It is a material breach of the Franchise Agreement to use other marketing materials without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied at our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. All advertising, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing, and the advertising and marketing policies we may require from time to time. Use of logos, Marks, and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to us, or if established, the Brand Building Fund. You may not advertise via the Internet or a World Wide Web page, including websites such as Groupon, Twitter, and Facebook, unless we have authorized you to do so in writing pursuant to our online policy.

System Website

We have established a System Website for Carbon Recall Businesses. We have developed a local website (“Sitelet”) for each Carbon Recall Business. Your Sitelet will include information relating to your specific business location and select content we provide from our Website. Your Sitelet will also showcase Carbon Recall services and any related products. You may not establish or maintain any other website or engage in any other electronic marketing of products or services without our prior written approval. We reserve the right to change the requirements relating to your Sitelet. Your monthly technology fee includes website maintenance fees to the supplier that provides website maintenance services. All such information shall be subject to our approval prior to posting. You may not independently market on the Internet, or use any domain name, email domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks except as set forth in our online policy. We may require you to provide us content for our Internet marketing.

We retain the sole right to approve any linking or other use of our website. We may allow you to promote your business via alternate online strategies consistent with our online policy as contained in our Manuals. We have the right to review all online content on social media sites, blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove any questionable usage or content involving our trademarks. We may also require you to cease using our trademarks at all such sites or discontinue all use of such sites.

As long as there is a System Website, we will have the right to use the Brand Building Fund assets to develop, maintain, and update the System Website and Sitelet. We may update and modify the Sitelet from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the Sitelet. We may implement and periodically modify System Standards relating to the Sitelet.

We are only required to reference your Carbon Recall Business on the System Website while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to your Carbon Recall Business from the System Website until you fully cure the default(s). You may not, without our prior written approval, develop, maintain, or authorize any website that mentions or describes you, your Carbon Recall Business, or displays the Marks. If we approve your use of a website, including social media websites, we will reserve the right to require you to obtain our written approval of its initial content and as it is updated or modified from time to time. If we develop a template or other standardized format and/or content for franchisee websites, you must use our mediums. You may not sell products or services not approved by us in the Manuals on your Carbon Recall Business website without our prior written approval (See Franchise Agreement – Section 9D).

Advisory Council

We currently do not have, but may form, an advisory council (“Council”) to advise us on advertising policies. The purpose of the Council would be to provide input regarding the Brand Building Fund and to promote communications between us and all franchisees. The Council would be governed by bylaws. Members of the Council would consist of both franchisees and corporate representatives. Members of the Council would be selected by way of a voting method specified in the Council’s bylaws. The Council would serve in an advisory capacity only. We will have the power to form, change, or dissolve the Council, at our sole discretion. We anticipate the Council will be established once there are approximately 100 Carbon Recall Businesses in operation.

Software and Computer Equipment

You are required to purchase a computer system that consists of the following hardware and software: (a) a computer that is capable of connecting to the Internet, which may be one that you currently own (we do not require a specific brand or type of computer); a tablet, and a smart phone, and (b) any required software (“Computer System”). We estimate the cost of purchasing the Computer System will be between \$500 and \$1,000. You must pay the Technology Fee of \$779 per month. The Computer System will manage the daily workflow of the Carbon Recall Business, coordinate the customer ordering experience, track inventory, labor, and other information. You must record all revenue on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the revenue of your Carbon Recall Franchise.

You must also maintain a high-speed Internet connection at the Carbon Recall Business. In addition to offering and accepting Carbon Recall gift cards and loyalty cards, you must use any payment vendors and accept all payment methods that we determine. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System. You must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System. The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will be approximately between \$500 and \$1,000, but this could vary (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

You will have sole responsibility for: (1) the operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained, and upgraded.

We have the right to independently access your electronic information and data through our proprietary data management and intranet system and to collect and use your electronic information and data in any manner we promote developing the System and the sale of Franchises. This may include posting financial information of each Carbon Recall franchisee on an intranet website or using this information to make financial performance representations in our Franchise Disclosure Document. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system.

Franchisees are required to follow our “Electronic Communications Policy” contained in our Brand Standards Manual. This policy ensures that all franchisees understand how to use their email domains provided by the franchise company.

Training

Initial Training

Before you open your Carbon Recall Business, you, your managing owner if you are an entity and, if applicable, your designated manager must complete to our satisfaction our Initial Training Program. We plan to be flexible in scheduling initial training to accommodate our personnel, you, and

your personnel. We do not have set training dates, but will conduct training sessions on an as-needed basis. If you want to have additional persons attend the Initial Training Program, then you must pay to us a daily attendance fee in an amount set by us for each additional attendee (see Item 6). You are responsible for all your and your attendees' expenses to attend any training program, including lodging, transportation, food, and similar expenses (See Franchise Agreement – Section 4A).

Every new managing owner and designated manager, if applicable, must complete the Initial Training Program to our satisfaction. We will present at-home training materials to you to review prior to the Initial Training Program.

We plan to provide the training listed in the table below. We reserve the right to vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program.

INITIAL TRAINING PROGRAM

Subject	Hours Of Classroom Training ⁽¹⁾	Hours Of On-The-Job Training ⁽¹⁾	Location
Orientation	12	0	Electronic training platform
Education	16	0	Electronic training platform
Pre-Operations	12	0	Electronic training platform
Operations	8	0	Electronic training platform
Sales	10	0	Electronic training platform
Marketing	4	0	Electronic training platform
Orientation, Education, Pre-Operations, Sales, and Marketing	0	40	Self-directed training and education to be completed by franchisee on-line after electronic training
Total	62	40	

Notes:

- The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. We will use the Manuals as the primary instruction materials during the Initial Training Program.
- Darko Kapelina, our founder and President, currently oversees our training program. Mr. Kapelina previously worked with RE/MAX International and RE/MAX Regional Services where he conducted franchisee training for new and existing franchisees relating to operations, recruiting, new business development, team leadership, marketing and sales, both in person and live via satellite and webinar broadcasts.

Ongoing Training

You, your managing owner if you are an entity, your designated manager, independent contractors, and employees, must attend and satisfactorily complete various training courses we

periodically require at your cost and at the times and locations we designate. In addition to participating in ongoing training, you must attend an annual meeting of all franchisees at a location we designate, and pay a convention fee if we hold an annual meeting of all franchisees (See Item 6). We estimate this training will be no longer than one to two days per year. You are responsible for expenses for your attendees (See Franchise Agreement – Section 4B).

We periodically may provide and require you, your managing owner, and/or your designated manager attend seminars or refresher training programs. Attendance at these refresher training programs will be at your sole expense. We do not anticipate requiring attendance more than once per any calendar year.

ITEM 12 TERRITORY

The Franchise Agreement for your Carbon Recall Franchise grants you an exclusive territory (“Territory”) based on the geographic area and populations properties within that area and other relevant demographic characteristics. We will grant only one license to a franchisee for any area with a population range of approximately 50,000 to 200,000 individuals in the designated geographical location depending on the type of Franchise that you purchase. The population statistics used in determining your Territory will be based on numbers derived from the current U.S. Census report and supplemented with other information available and other population statistical sources to determine populations. In certain densely populated metropolitan areas, a territory may be small if it has a high population density, while franchisees operating in less densely populated urban areas may have significantly larger geographical areas. We typically use postal zip codes to define a franchise territory at the time the territory is awarded.

Your Territory will be identified in an attachment to your Franchise Agreement. You are not prohibited from directly marketing to or soliciting customers whose principal residence is outside of your Territory provided that you follow any off-site policies and procedures in our Manuals and you do not offer any services in the territory of any other Carbon Recall franchisee. Territory infringement occurs when a franchisee generates income from a customer by receiving payment for products and/or services provided and/or rendered within the territory of another Carbon Recall Business franchisee without first obtaining that franchisee’s written permission. A franchisee who infringes upon other franchisee’s territories is subject to a \$500 fine, payable to us or the impacted franchisee within five days after the infringement(s) are proven. Fine amounts collected by us shall become our property and any distribution of the fine funds shall be at our sole discretion.

We retain all rights and discretion with respect to the Marks and System. For example, we retain the right to: (a) establish or operate, and grant others the right to establish or operate, Carbon Recall Franchises at any location outside of the Territory; (b) service national accounts within the Territory, or allow other Carbon Recall Franchises or third parties to service national accounts if the franchisee is in default, unable, or unwilling to provide necessary products or services; (c) establish or operate, and grant others the right to establish or operate, other businesses offering the same or similar products utilizing the Marks or other trade names, trademarks, and service marks if the franchisee is in default, unable, or unwilling to provide necessary products or services; (d) provide products and services similar to those offered through the Carbon Recall Business through any alternate channel of distribution, including through the Internet; (e) provide services similar to those offered through the Carbon Recall Business throughout the Territory under different or derivative Marks; (f) utilize any websites, including social media websites, utilizing a domain name incorporating the words “Carbon Recall,” or the Marks, or similar derivatives; (g) purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Carbon Recall Franchise, wherever located; (h) acquire and convert to the System operated by us, any businesses offering products and services related to renewable

energy services, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned, and whether located inside or outside of the Territory, provided that in such situations, the newly-acquired businesses may not operate under the Marks in the Territory; and (i) implement multi-area marketing programs which may allow us or others to solicit or sell to clients anywhere or direct such clients to the Carbon Recall Franchise that we choose, at our discretion. Although we reserve the rights described, neither we nor any affiliate, operates, franchises or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other Franchises. We reserve the right to issue mandatory policies to coordinate and implement such multi-area marketing programs. Such policies may require that you participate in discount programs for the products and services offered from your Carbon Recall Business.

We are not required to pay you if we exercise any of the rights specified above within your Territory. The continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency. We do not pay compensation for soliciting or accepting orders inside your Territory.

If you do not timely agree to and timely provide the services and products to a national account, then either we or another franchisee will provide the services and products to a national account within your Territory. In such case, your Territory would not be exclusive as to these national accounts and we must include the following language: 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 may operate the Carbon Recall Business only within your Territory. You must not relocate your Carbon Recall Business without obtaining our written consent of the relocation.

If you wish to purchase an additional Carbon Recall Franchise, you must apply to us, and we may, at our discretion, offer an additional Franchise to you. We consider a variety of factors when determining whether to grant additional Franchises. Among the factors we consider, in addition to the then-current requirements for new Carbon Recall franchisees, are whether or not the franchisee is in compliance with the requirements under their current franchise agreement.


You do not receive the right to acquire additional Carbon Recall Franchises within the Territory. You are not given a right of first refusal on the sale of existing Carbon Recall Franchises.

You may choose, however, to promote your business via alternate online strategies consistent with our online policy. We have the right to review all online content on social media sites, discount websites, blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove or cease using our trademarks and intellectual property if used in a questionable way. You may not engage in any promotional or similar activities, whether directly or indirectly, through or on the internet or any other similar proprietary or common carrier electronic delivery system. Except for sales methods designated by us you may not sell any Carbon Recall product or service through any alternative channel of distribution, including the internet, catalog sales, telemarketing or other direct marketing.

**ITEM 13
TRADEMARKS**

The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to use the System, which includes the use of the Proprietary Marks. You may also use other future trademarks, service marks, and logos we approve to identify your Carbon Recall Franchise.

We own the following service mark registrations on the principal and supplemental register of the United States Patent and Trademark Office:

Mark	Application/ Registration Number	Application/ Registration Date	Status/Register
NOTHING BUT NET ZERO	5,174,118	April 4, 2017	Registered on the Principal Register
CARBON RECALL	5,116,851	January 10, 2017	Registered on the Principal Register
WE IMPROVE LIVES	5,098,381	December 13, 2016	Registered on the Principal Register
YOUR RENEWABLE ENERGY EXPERTS	5,224,934	June 13, 2017	Registered on the Supplemental Register
YOUR CLEAN ENERGY EXPERTS	5,229,716	June 20, 2017	Registered on the Supplemental Register
YOUR REGENERATIVE ENERGY EXPERTS	5,229,717	June 20, 2017	Registered on the Supplemental Register
	5,907,006	November 12, 2019	Registered on the Principal Register

We have applied to register the following trademark with the USPTO:

Mark	Serial No.	Filing Date	Status
ENERGY POSITIVE	90,692,138	May 5, 2021	Pending on the Supplemental Register

We do not have a federal registration for our ENERGY POSITIVE trademark listed above. Therefore, our trademark does not have as 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 are no effective material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state or any court and no pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks. Except for the Trademark License, no agreement significantly limit our rights to use or license the use of the Marks listed in this section in a manner material to you.

You must follow our guidelines and requirements when using the Marks. You cannot use our name or Marks as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You must indicate to the public in any contract or advertisement that you are an independently owned and operated licensed franchisee of CRL. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the Carbon Recall Business or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us. If it becomes advisable at any time, at our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must prominently display the Marks on or with franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that are required under applicable law.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. If you are in compliance with the Franchise Agreement, we will defend you against any claim brought against you by a third party alleging your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must not directly or indirectly contest our right to the Marks. We may acquire, develop, and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information in the Manuals is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Manuals, our advertising materials, the content and format of our products, or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“Copyrighted Works”) for the operation of your Carbon Recall Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Manuals, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation, and franchising of Carbon Recall Franchises, our training materials and techniques, information concerning product and service sales, operating results, financial performance, and other financial data of Carbon Recall Franchises, and other related materials are proprietary and confidential (“Confidential Information”) and are our property to be used by you only as described in the Franchise Agreement and Manuals. Where appropriate, certain information has also been identified as trade secrets (“Trade Secrets”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Carbon Recall during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Carbon Recall Franchises during the term of the Franchise Agreement.

You must notify us within three days after you learn about another’s use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information, or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information, or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of or challenge to your use of any Copyrighted Works, Confidential Information, or Trade Secrets, or claim by any person of any rights in any Copyrighted Works, Confidential Information, or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information, or Trade Secrets. You may not communicate with anyone except us, our counsel, or our designees regarding any infringement, challenge,

or claim. We will take action as we deem appropriate regarding any infringement, challenge, or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Works, Confidential Information, or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyrighted Works, Confidential Information, or Trade Secrets.

No patents or patents pending are material to us at this time.

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

Your Carbon Recall Business shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a twenty-five percent (25%) ownership interest and voting power in the entity (“Managing Owner”). Under certain circumstances, we may allow you to appoint a designated manager (“Designated Manager”) to run the day-to-day operations of the Carbon Recall Business. The Designated Manager must successfully complete our training program (See Item 11). The Designated Manager is not required to have an ownership interest in the legal entity of the Franchise owner. If you replace a Designated Manager, the new Designated Manager must satisfactorily complete our training program at your own expense.

Any Designated Manager and, if you are an entity, any officer that does not own equity in the Franchisee entity must sign the System Protection Agreement, the form of which is attached to this Franchise Disclosure Document in Exhibit G. All of your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit G. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) must sign an Owners Agreement guaranteeing the obligations of the entity, in the form of which is attached to the Franchise Agreement as Attachment C.

You, your Designated Manager, if applicable, or the Managing Owner if you are an entity, must control your employees and the terms and conditions of their employment.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those products and services authorized by us and which meet our standards and specifications. You are restricted on the type of services that you may offer based on the type of Franchise that you purchase (Manager Franchise or Developer Franchise). You must follow our policies, procedures, methods, and techniques. You must sell or offer for sale all types of products and services specified by us. We may change or add to our required products and services at our discretion with prior notice to you (See Item 8). If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products or services that we disapprove. There are no limitations on our rights to make changes to the required services and products offered by

you. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

We may allow you to market your Carbon Recall Business through social media sites so long as you follow our online policies and procedures, which are contained in the Manuals. You may not establish an account or participate in any social networking sites or blogs, crowdfunding campaigns or mention or discuss the Carbon Recall Franchise, us or any of our affiliates without our prior written consent and as subject to our online policies. Our online policies and procedures may change as technology and the Internet changes. Under our online policies and procedures, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We may require you to allow us access to your social media pages to manage content. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use.

You must grant us a security interest in all of the assets of the Carbon Recall Business, including, but not limited to, inventory, accounts, supplies, contracts, and proceeds and products of all those assets.

ITEM 17 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 Franchise Disclosure Document.

Provision	Section in Franchise Agreement	Summary
(a) Length of the term of the Franchise	Section 1D	Five years.
(b) Renewal or extension of the term	Section 13	If you are in good standing, and you meet other requirements, you may enter into one successor franchise agreement of five years.
(c) Requirements for Franchisee to renew or extend	Section 13	The term “renewal” refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchisee after the initial term of your Franchise Agreement expires. You must give us timely written notice; maintain compliance with the Franchise Agreement and System Standards; cure deficiencies and update Vehicle and Operating Assets; sign our then-current franchise agreement and any ancillary documents for the successor term, and this new franchise agreement may have different terms and conditions (including, e.g., higher royalty and advertising contributions, different Territory boundaries) from the Franchise Agreement that covered your initial term., a release (if law allows), and other documents we use to grant Franchises; and pay the renewal fee.
(d) Termination by	Section 14A	You may terminate the Franchise Agreement if you are

Provision	Section in Franchise Agreement	Summary
Franchisee		in compliance with it and we are in material breach and we fail to cure that breach within 30 days of receiving written notice, subject to applicable state law.
(e) Termination by Franchisor without cause	Not Applicable	Not Applicable.
(f) Termination by Franchisor with cause	Section 14B	We can terminate upon certain violations of the Franchise Agreement by you.
(g) "Cause" defined - curable defaults	Section 14B	You have ten days to cure monetary defaults; 24 hours to cure failure to maintain any insurance; 24 hours to cure violation of health, safety, sanitation, ordinance or regulation, or operation in unsafe manner; 48 hours to cure failure to maintain license, bond or permit, and violations of other applicable laws, regulations, ordinances, or consent decrees; 30 days to vacate any attachment, seizure, writ, warrant or levy, or appointment of receiver, trustee or liquidator; and 30 days to cure operational defaults and other defaults not specified in (h) below.
(h) "Cause" defined - non-curable defaults	Section 14B	Non-curable defaults: the defaults listed in Section 14B of the Franchise Agreement that are not subject to a cure period.
(i) Franchisee's obligations on termination/non-renewal	Section 15	Obligations include payment of amounts due; complete de-identification; notifying telephone company and telephone directory publishers of termination of your right to numbers and authorizing transfer or forwarding of the numbers and directory listings; and return of the Manuals, all Confidential Information, Trade Secrets, and records; and comply with the restrictive covenants.
(j) Assignment of contract by Franchisor	Section 12A	No restriction on our right to assign.
(k) "Transfer" by Franchisee - definition	Section 12B	Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise.
(l) Franchisor's approval of transfer by Franchisee	Section 12B	We have the right to approve all transfers.
(m) Conditions for Franchisor's approval of transfer	Section 12C	You are in compliance; you give notice; you provide us an opportunity to exercise our right of first refusal; new franchise owner qualifies; you pay us, our affiliates, and third-party vendors all amounts due; submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; new franchise owner (and its owners and affiliates) are not in a competitive business; training completed; lease permitted to be transferred; transferee agrees to upgrade, remodel or refurbish as required within 45 days of transfer; you or transferee

Provision	Section in Franchise Agreement	Summary
		signs our then-current franchise agreement and other documents, provisions of which may differ materially from those contained in the Franchise Agreement; pay transfer fee; you sign release (if law allows); you and any other direct or indirect owners execute an Owner's Agreement; we approve material terms; you subordinate amounts due to you; you cease to use the Marks; transferee agrees to assume warranty obligations; you and your owners and your and their immediate families will not engage in a competitive business for a specified time frame after the transfer; reimburse us our actual costs of transfer, including broker commissions, finder's fees and other expenses of transfer.
(n) Franchisor's right of first refusal to acquire Franchisee's business	Section 12G	We have 30 days to match any offer for your Carbon Recall Business or an ownership interest in you.
(o) Franchisor's right to purchase Franchisee's business	Section 15F	We may, but are not required to, purchase your Carbon Recall Franchise, inventory, or equipment at fair market value by giving you written notice of our intent to exercise this option within 30 days after the date of termination or expiration of the Franchise Agreement.
(p) Death or disability of Franchisee	Section 12E	The Franchise Agreement must be transferred or assigned to a qualified third party within a reasonable amount of time not to exceed nine months after your death or disability, and must also appoint a manager who must complete training and be acceptable to us or, if not, we may assume management.
(q) Non-competition covenants during the term of the Franchise	Section 7	Neither you, your principal owners, nor any immediate family members of you or your principal owners may divert or attempt to divert business; have ownership interest in, loan money to, or perform services for a competitive business located anywhere (" <u>Competitive Business</u> "); or engage in any other activity which may injure the goodwill of the Marks and Franchise System. Competitive Business means: any business that (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Territory (including, but not limited to, the services we authorize), but excludes a Carbon Recall Business operating pursuant to a franchise agreement with us; not engage in any activity which may injure the goodwill of the Carbon Recall Franchise; not interfere with our or our other franchisees' Carbon Recall Franchise(s), subject to applicable state law.
(r) Non-competition covenants after the	Section 15E	Owners and their spouses may not have any direct or indirect interest in any Competitive Business within: (i)



Provision	Section in Franchise Agreement	Summary
Franchise is terminated or expires		a 50-mile radius from your Carbon Recall business (and including the premises of an office location of Franchisee); and (ii) a 50-mile radius from all other Carbon Recall businesses that are operating or under development, for two years, subject to applicable state law.
(s) Modification of the Franchise Agreement	Sections 1G, 8J, 17K	We reserve the right to vary System Standards for any Franchise owner. The Manuals are subject to change at any time at our discretion.
(t) Integration/merger clause	Section 17M	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 17F	Except for controversies, disputes, or claims related to improper use of our Marks or Confidential Information, violations of state or federal antitrust laws, securing injunctive relief or indemnity, all controversies, disputes, or claims must first be submitted for mediation, and if mediation is unsuccessful, for binding arbitration in the city and state where we maintain our principal place of business (currently Alpharetta, Georgia), subject to applicable state law.
(v) Choice of forum	Sections 17F, 17H	Litigation must be commenced in the state or federal court of general jurisdiction which is closest to Alpharetta, Georgia (or another city where we maintain our principal place of business at the time of the controversy), but we and you may enforce any arbitration orders and awards in the courts of the state(s) in which you are domiciled or your Carbon Recall Business is located, subject to applicable state law.
(w) Choice of law	Section 17G	The law of our current principal place of business, currently Georgia, subject to applicable state law.

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our Franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Darko Kapelina, 8000 Avalon Blvd., Suite 100 and 200, Alpharetta, GA 30009, 844-225-5022, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1

System-wide Outlet Summary
For Years 2020-2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2020	8	8	0
	2021	8	17	+9
	2022	17	24	+7
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	8	8	0
	2021	8	17	+9
	2022	17	24	+7

Table No. 2

Transfers of Franchised Outlets
to New Owners (other than the Franchisor)
For Years 2020-2022

State	Year	Number of Transfers
Totals	2020	0
	2021	0
	2022	0

Table No. 3

Status of Franchised Outlets
For Years 2020-2022

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Alabama	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	1	0	0	0	0
Arkansas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Colorado	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Florida	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Georgia	2020	1	1	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	2	0	0	0	0	6
Kentucky	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Iowa	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Mississippi	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	1	0	0	0	1



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Montana	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nevada	2020	0	0	0	0	0	0	0
	2021	0	1	1	0	0	0	0
	2022	0	0	0	0	0	0	0
New Jersey	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Ohio	2020	2	0	1	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	1	0	0	0	1
Pennsylvania	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
South Carolina	2020	0	0	0	0	0	0	0
	2021	0	1	1	0	0	0	0
	2022	0	1	0	0	0	0	1
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	1	0	0	0	0	0	1
	2021	1	2	1	0	0	0	2
	2022	2	2	2	0	0	0	2
Total Outlets	2020	8	2	2	0	0	0	8
	2021	8	12	3	0	0	0	17
	2022	17	12	5	0	0	0	24



Table No. 4

Status of Company-Owned Outlets
For Years 2020-2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total Outlets	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

Table No. 5

Projected Openings as of
December 31, 2022 for 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
Arizona	0	1	0
Colorado	0	1	0
Florida	0	2	0
Georgia	0	2	0
Idaho	0	0	0
Kentucky	2	0	0
Massachusetts	0	1	0
Missouri	0	0	0
Montana	0	1	0
New Mexico	1	0	0
North Carolina	0	1	0
Ohio	1	0	0
Oregon	1	1	0
South Carolina	0	1	0
Pennsylvania	0	0	0
Texas	1	0	0
Total	7	12	0

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit E. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Carbon Recall Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one year period ending December 31, 2022, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document is listed in Exhibit E. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the Carbon Recall Franchise System. You may wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. During the last three fiscal years, we have had franchisees sign confidentiality provisions that restrict their ability to speak openly about their experience with the Carbon Recall Franchise System. If you buy a Carbon Recall Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

ITEM 21 FINANCIAL STATEMENTS

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements as of December 31, 2020, December 31, 2021, and December 31, 2022. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

The following exhibits contain proposed agreements regarding the Franchise:

Exhibit C	Franchise Agreement
Exhibit F	State Addenda and Agreement Riders
Exhibit G	Contracts for use with the Carbon Recall Franchise

ITEM 23 RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit I, are a detachable document, in duplicate. Please detach, sign, date, and return one copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

<p><u>CALIFORNIA</u> <u>State Administrator and Agent for Service of Process:</u></p> <p>Commissioner Department of Financial Protection and Innovation 320 W. 4th Street, #750 Los Angeles, CA 90013 (213) 576-7500 (866) 275-2677</p> <p><u>HAWAII</u> Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p> <p><u>Agent for Service of Process:</u></p> <p>Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p> <p><u>ILLINOIS</u> Illinois Attorney General Chief, Franchise Division 500 S. Second Street Springfield, IL 62706 (217) 782-4465</p> <p><u>INDIANA</u> Secretary of State Securities Division Room E-018 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681</p> <p><u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360</p>	<p><u>MARYLAND CONTINUED</u> <u>Agent for Service of Process:</u></p> <p>Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020</p> <p><u>MICHIGAN</u> Michigan Department of Attorney General Consumer Protection Division 525 W. Ottawa Street Lansing, MI 48913 (517) 373-7117</p> <p><u>MINNESOTA</u> Department of Commerce Commissioner of Commerce 85 Seventh Place East, Suite 280 St. Paul, MN 55101-3165 (651) 539-1600</p> <p><u>NEW YORK</u> <u>Administrator:</u></p> <p>NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222</p> <p><u>Agent for Service of Process:</u></p> <p>Secretary of State 99 Washington Avenue Albany, NY 12231</p> <p><u>NORTH DAKOTA</u> <u>Administrator:</u></p> <p>North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712</p> <p><u>Agent for Service of Process:</u></p> <p>Securities Commissioner 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510</p>	<p><u>RHODE ISLAND</u> Department of Business Regulation 1511 Pontiac Avenue, Bldg. 68-2 Cranston, RI 02920 (401) 462-9527</p> <p><u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563</p> <p><u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219</p> <p><u>Agent for Service of Process:</u></p> <p>Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219</p> <p><u>WASHINGTON</u> <u>State Administrator:</u></p> <p>Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760</p> <p><u>Agent for Service for Process:</u></p> <p>Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501</p> <p><u>WISCONSIN</u> Department of Financial Institutions Division of Securities 201 W. Washington Avenue Madison, WI 53703 (608) 266-3364</p>
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Rev. 012723



EXHIBIT B

FINANCIAL STATEMENTS

CARBON RECALL, LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021, AND 2020



CARBON RECALL, LLC

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Report of Independent Auditors

To the Member
Carbon Recall, LLC
Atlanta, GA

Opinion

We have audited the accompanying financial statements of Carbon Recall, LLC, which comprise the balance sheets as of December 31, 2022, 2021, and 2020, and the related statements of operations, member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezar ¹/₃ Dunlay

St. George, Utah
March 15, 2023

CARBON RECALL, LLC
BALANCE SHEETS
As of December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 200,486	\$ 184,035	\$ 95,690
Total current assets	<u>200,486</u>	<u>184,035</u>	<u>95,690</u>
Non-current assets			
Equipment, net	64,021	27,490	33,594
Total non-current assets	<u>64,021</u>	<u>27,490</u>	<u>33,594</u>
Total assets	<u>\$ 264,507</u>	<u>\$ 211,525</u>	<u>\$ 129,284</u>
Liabilities and Member's Deficit			
Current liabilities			
Accounts payable	\$ 8,958	\$ 26,095	\$ 51,059
Accrued expenses	910	60,806	-
Deferred revenue	275,000	300,000	200,000
Notes payable, current	6,292	-	44,301
Total current liabilities	<u>291,160</u>	<u>386,901</u>	<u>295,360</u>
Non-current liabilities			
Notes payable, non-current	37,455	-	22,244
Total non-current liabilities	<u>37,455</u>	<u>-</u>	<u>22,244</u>
Total liabilities	<u>328,615</u>	<u>386,901</u>	<u>317,604</u>
Member's deficit			
Member's capital	203,606	203,606	203,606
Accumulated deficit	<u>(267,714)</u>	<u>(378,982)</u>	<u>(391,926)</u>
Total member's deficit	<u>(64,108)</u>	<u>(175,376)</u>	<u>(188,320)</u>
Total liabilities and member's deficit	<u>\$ 264,507</u>	<u>\$ 211,525</u>	<u>\$ 129,284</u>

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

CARBON RECALL, LLC
STATEMENTS OF OPERATIONS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenue			
Franchise fees	\$ 332,500	\$ 320,000	\$ 150,000
Royalties	219,993	140,800	65,588
Other revenue	1,614	1,997	1,106
Total operating revenue	<u>554,107</u>	<u>462,797</u>	<u>216,694</u>
Operating expenses			
General and administrative expenses	178,053	186,257	107,045
Advertising and promotion	96,859	106,765	56,513
Legal and professional fees	22,378	10,119	11,608
Depreciation expense	7,216	7,506	569
Total operating expenses	<u>304,506</u>	<u>310,647</u>	<u>175,735</u>
Income from operations	<u>249,601</u>	<u>152,150</u>	<u>40,959</u>
Other income (expense)			
Gain on disposal of assets	-	-	7,000
Interest expense	<u>(333)</u>	<u>(4,873)</u>	<u>(273)</u>
Total other income (expense)	<u>(333)</u>	<u>(4,873)</u>	<u>6,727</u>
Net income	<u>\$ 249,268</u>	<u>\$ 147,277</u>	<u>\$ 47,686</u>

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

CARBON RECALL, LLC
STATEMENTS OF MEMBER'S DEFICIT
For the years ended December 31, 2022, 2021, and 2020

	Member's Capital	Accumulated Deficit	Total
Balances at January 1, 2020	\$ 203,606	\$ (386,997)	\$ (183,391)
Member distributions	-	(52,615)	(52,615)
Net income	-	47,686	47,686
Balances at December 31, 2020	<u>203,606</u>	<u>(391,926)</u>	<u>(188,320)</u>
Member distributions	-	(134,333)	(134,333)
Net income	-	147,277	147,277
Balances at December 31, 2021	<u>203,606</u>	<u>(378,982)</u>	<u>(175,376)</u>
Member distributions	-	(138,000)	(138,000)
Net income	-	249,268	249,268
Balances at December 31, 2022	<u>\$ 203,606</u>	<u>\$ (267,714)</u>	<u>\$ (64,108)</u>

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

CARBON RECALL, LLC
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flow from operating activities:			
Net income	\$ 249,268	\$ 147,277	\$ 47,686
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	7,216	7,506	569
Gain on disposal of assets	-	-	(7,000)
Forgiveness of notes payable	-	(16,321)	-
Changes in operating assets and liabilities:			
Accounts payable	(17,137)	(24,964)	(8,553)
Deferred commissions	(59,896)	60,806	-
Deferred franchise fee revenue	(25,000)	100,000	100,000
Net cash provided by operating activities	<u>154,451</u>	<u>274,304</u>	<u>132,702</u>
Cash flows from investing activities:			
Purchases of fixed assets	-	(1,402)	(34,163)
Proceeds from disposal of fixed assets	-	-	7,000
Net cash used by investing activities	<u>-</u>	<u>(1,402)</u>	<u>(27,163)</u>
Cash flows from financing activities:			
Payments on notes payable	-	(50,224)	(43,385)
Draws on notes payable	-	-	67,865
Member distributions	(138,000)	(134,333)	(52,615)
Net cash used by financing activities	<u>(138,000)</u>	<u>(184,557)</u>	<u>(28,135)</u>
Net change in cash and cash equivalents	16,451	88,345	77,404
Cash at the beginning of the year	184,035	95,690	18,286
Cash at the end of the year	<u>\$ 200,486</u>	<u>\$ 184,035</u>	<u>\$ 95,690</u>
Supplementary disclosures of cash flows			
Cash paid for interest	\$ 333	\$ 4,873	\$ 273
Cash paid for taxes	\$ -	\$ -	\$ -
Non-cash financing and investing activities			
Purchase of vehicle with debt	\$ 43,747	\$ -	\$ -

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

CARBON RECALL, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Carbon Recall, LLC ("the Company"), was organized as a limited liability company under the laws of the State of Georgia in August 2014. The Company franchises a business concept focused on providing renewable energy services and residential and commercial property improvement services to property owners. The Company has developed a proprietary system for establishing, operating, managing, and marketing the above services.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

Management of the Company will make a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment and valuation allowances for receivables. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2022, 2021, and 2020, the Company had cash and cash equivalents of \$200,486, \$184,035, and \$95,690, respectively.

(e) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents and accounts receivable carrying amounts may approximate fair value due to their short maturities. The amounts shown for related party loans payable may also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(f) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

CARBON RECALL, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(g) Revenue Recognition

The Company's revenues consist of initial franchise fees and royalties based on a percentage of gross revenues.

On January 1, 2020, the Company adopted ASC 606, *Revenue from Contracts with Customers* using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods. Management determined that the effect of adopting ASC 606 did not have a material effect on the Company's financial statements.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial fee and ongoing royalties, marketing fees, and technology fees, and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that royalties, marketing fees, and technology fees from locations operated by a franchisee, which are based on a percentage of gross revenue, are to be recognized at the time the underlying sales occur. In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

(h) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Georgia. Accordingly, the income or loss of the Company will be included in the income tax returns of the shareholders. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If

CARBON RECALL, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the shareholders rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the following tax years are subject to examination:

Jurisdiction	Open Years for Filed Returns	Return Filed in 2022
Federal	2019 – 2021	2021
Georgia	2019 – 2021	2021

(i) *Advertising Costs*

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2022, 2021, and 2020 were \$96,859, \$106,765, and \$56,513, respectively.

(2) *Equipment*

Property and equipment are recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of operations and retained earnings. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation expense for the years ended December 31, 2022, 2021, and 2020 was \$7,216, \$7,506, and \$569, respectively.

As of December 31, 2022, 2021, and 2020, the Company's equipment consisted of the following:

	2022	2021	2020
Vehicles	\$ 77,910	\$ 34,163	34,163
Office equipment	1,401	-	-
	79,311	34,163	34,163
Less: accumulated depreciation	(15,290)	(6,673)	(569)
	\$ 64,021	\$ 27,490	\$ 33,594

(3) *Accrued Expenses*

The Company's accrued expenses consist of accrued payroll and associated payroll taxes. As of December 31, 2022, 2021, and 2020, the Company's recorded accrued expenses of \$910, \$60,806, and \$0, respectively.

(4) *Franchise Fee Revenue*

The Company's franchise agreements generally provide for the payment of initial fees as well as continuing royalties to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Carbon Recall system for a period of five years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

As of December 31, 2022, 2021, and 2020, the Company had current deferred revenue of \$275,000, \$300,000, and \$200,000.

CARBON RECALL, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(5) Notes Payable

As of December 31, 2022, 2021, and 2020, the Company's notes payable consisted of the following:

	2022	2021	2020
Note payable in relation to the purchase of a vehicle with an initial principal balance of \$43,951, an annual rate of 5.69%, and principal and interest payments due monthly through December 21, 2028.	\$ 43,747	\$ -	-
Note payable with a third-party financial institution as part of the Payroll Protection Program administered by the United States Small Business Administration ("SBA"). The loan had an initial principal balance of \$20,702, accrued interest at an annual rate of 1%, and had a maturity date of May 4, 2022. During the year ended December 31, 2021, the Company received forgiveness of \$16,321 and repaid the remaining balance of \$4,381.	-	-	20,702
Note payable in relation to the purchase of a vehicle with an initial principal balance of \$27,163, an annual rate of 4.49%, and principal and interest payments due monthly through December 24, 2025. Loan was repaid in full in 2021.	-	-	27,163
Note with a third-party financial institution with an initial principal balance of \$20,000, an annual rate of 5.00%, and a maturity date of November 27, 2021.	-	-	18,680
	43,747	-	66,545
Less: current maturities	(6,292)	-	(44,301)
	\$ 37,455	\$ -	\$ 22,244

(6) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrance of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's

CARBON RECALL, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(7) Subsequent Events

Management has reviewed and evaluated subsequent events through March 15, 2023, the date on which the financial statements were available to be issued.

EXHIBIT C

FRANCHISE AGREEMENT

EXHIBIT D

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EXHIBIT E

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2021:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Wooten	Anthony	Autonomis LLC	32531 North Scottsdale Rd Suite 115	Scottsdale	AZ	85266	(480) 522-9922	anthony.wooten@carbonrecallscoottsdale.com
Joe	Delmendo		300 S. Beech St.	Pine Bluff	AR	71601	(310) 386-7814	joe@carbonrecallpinelittlerock.com
Bell	Greg	Brighter Days Solar Energy LLC	1017 21 Road	Fruita	CO	81521	(970) 216-2816	greg@carbonrecallgrandjunction.com
Saad	Abdallah	Saad Capital LLC	3958 Carrick Bend Drive	Kissimmee	FL	34746	(407) 868-7982	abdallah@carbonrecallkissimmee.com
Pizarro	Jeronimo	JulFran LLC	620 NE 115 th Street	Miami	FL	33161	(305) 900-3642	jeronimo@carbonrecalleastmiami.com
Patel	Sumit	SS Patel LLC	16305 Plantation Lakes Circle	Sanford	FL	32771	(407) 732-0494	sumit@carbonrecallsanford.com
Hoskins	Jim	LLC	129 Donalson Rd	Bainbridge	GA	39817	(229) 205-6430	james@carbonrecallbainbridge.com
Adams	Matt	LLC	7407 North Lake Loop	Columbus	GA	31909	(706) 570-4252	matt@carbonrecallcolumbus.com
Patel	PJ	Green Electric LLC	1400 Riley Road	Macon	GA	31201	(866) 307-3225	pj@carbonrecallmacon.com
Knight	Michael	LLC	2050 Newnan Crossing Blvd. E, Apt. 4204	Newnan	GA	30265	(770) 299-3555	michal@carbonrecallnewnan.com
Desilets	Jeff	Desilets LLC	102 Oak Bay Court	Warner Robins	GA	31088	(478) 216-2772	jeff@carbonrecallwarnerrobins.com
Register	Greg	LLC	6450 Zipperer Rd. SW	Valdosta	GA	31601	(229) 231-3500	greg@carbonrecallvaldosta.com
Frey	Terry	Carbon Recall South Lexington LLC	3341 N US 127	Lexington	KY	42539	(606) 303-8679	terry@carbonrecallsouthlexington.com
Mumm	Scott	Huntinparty LLC	132 Terrace Dr	Independence	IA	50644	(319) 693-5775	scott@carbonrecallindependence.com
Lewis	Donald	Carbon Recall Tupelo LLC	2420 Cochran Road	Belden	MS	38826	(662) 260-5097	donald@carbonrecalltupelo.com

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Flaim	Michael Schaun	Price Flaim LLC	126 Prestonwood Trail	Cape Girardeau	MO	63701	(573) 576-3769	schaun@carbonrecallcapegirardeau.com
Robinson	Joel	The Alternative Energy Company LLC	1315 US Hwy 2 W	Kalispell	MT	59901	(406) 607-6500	joel@carbonrecallkalispell.com
Bainbridge	Michael	Elite Edge Innovations LLC	PO Box 167540	Oregon	OH	43616	(419) 376-3070	mike@carbonrecalleastoledo.com
Avery	Daniel	Carbon Recall Bridgeville LLC	114 Northridge Drive	McDonald	PA	15057	(412) 346-8431	dj@carbonrecallmcdonald.com
Moreno	Jim	LLC	4813 Meadowview Terrace	Zionsville	PA	18092	(610) 972-6364	jim@carbonrecallzionsville.com
Hoover	Daniel	SC Solar LLC	7077 Kays Drive	York	SC	29745	(803) 628-8573	daniel@carbonrecallyork.com
Elkins	Josh	Elkins Sustainability LLC	8433 Quarles Lane	Hixson	TN	37343	(423) 444-4627	josh@carbonrecallchattanooga.com
Olanrewaju	Samuel		2501 Lake Road, Apt 103	Huntsville	TX	77340	(832) 283 6833	samuel@carbonrecallhuntsville.com
Bell	Thomas	LLC	16060 Broadleaf	Texarkana	TX	75503	(870) 807-4604	thomas@carbonrecalltexarkana.com

Franchisees with Unopened Outlets as of December 31, 2021:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Harris	Kenyon		428 Zierdt Rd.	Madison	AL	35756	520 222 3229	kenyon@carbonrecallnewhope.com
Sharp	Phillip		1100 Our Lady Way, Ste 1100	Ashland	KY	41101	606 547 2256	phillip@carbonrecallrussell.com
Patel	Alin		817 Urton Woods Way	Louisville	KY	40243	229 237 7379	alin@carbonrecallsouthlouisville.com
Fraze	Lyle		830 E. Danube St.	Portales	NM	88130	575 760 7621	lyle@carbonrecallclovis.com
Zawadzki	Daniel		11513 Diagnoal Rd	Mantua	OH	44255	(216) 201 0830	daniel@carbonrecallmantua.com
Torp	Cynthia		3170 Humbug Creek	Jacksonville	OR	97530	(970) 682-5125	cynthia@carbonrecalljacksonville.com



Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Hyman	Brad	LLC	601 Tx. Hwy. 37 South Nathan	Mount Vernon	TX	75457	(903) 573-3327	brad@carbonrecallmtvernon.com

List of Former Franchisees:

The name and last known address of every franchisee who had a Carbon Recall Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2021 to December 31, 2021, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Last Name	First Name	Address	City	State	Zip Code	Phone	Email
Lovelace	Barry	333 Sam Thomas Rd	Harvest	AL	35749	(256) 683-2768	barry@carbonrecallharvest.com
Wood	Chris	1451 Kearney Rd.	Liberty	MO	64024	(785) 202-2514	chris@carbonrecallliberty.com
Volk	Jay	2940 Oxbow Rd, Bath Township	Richfield	OH	44286	(330) 390-4400	jay@carbonrecallrichfield.com
Torrico	Roberto	PO Box 9536 1909 S Broadway Ave	Tyler	TX	75701	(903) 375-4701	roberto@carbonrecallsouthtyler.com
Cifuentes	Edwin	6115 Oak Crest Ct	Spring	TX	77379	(713) 906-2653	edwin@carbonrecallspring.com

EXHIBIT F

**STATE ADDENDA
AND AGREEMENT RIDERS**

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR CARBON RECALL, LLC

The following modifications are made to the Carbon Recall, LLC (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20__ (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means Georgia. When the term “**Supplemental Agreements**” is used, it means N/A.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum (“**State Addendum**”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Georgia. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Georgia. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD 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.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

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.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE

PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit H of the FDD on the page entitled, "State Effective Dates."
2. States which have refused, by order or otherwise, to register these Franchises are:
None
3. States which have revoked or suspended the right to offer the Franchises are:
None
4. States in which the proposed registration of these Franchises has been withdrawn are:
None

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.” The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary 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 FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such 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 under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that 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 such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby 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:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire 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 Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Carbon Recall, LLC, 8000 Avalon Blvd., Suite 100 and 200, Alpharetta, GA 30009, or send a fax to Carbon Recall, LLC at 678-965-4880 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENTS

Item 17 of the FDD and the Franchise Agreement are amended to state: “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Representations in the Franchise Agreement 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.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement is amended to state that all 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.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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.

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

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



assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

Despite anything to the contrary 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 such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD 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 Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. 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 Franchise Agreement relating to arbitration.

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; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that 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 System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. Item 6 of the FDD and Section 3D of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.
10. No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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 A OR YOUR PUBLIC LIBRARY FOR SERVICES OR 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 THIS 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 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 ten-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.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 15E of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials _____ Date _____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller’s receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Carbon Recall, LLC, 8000 Avalon Boulevard, Alpharetta GA 30009, or send a fax to Carbon Recall, LLC at 678-965-4880 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____

By: _____

Print Name: _____

Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the

Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTH DAKOTA

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA

Item 17(h). The following is added to Item 17(h):

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Carbon Recall, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 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.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON

ADDENDUM TO FRANCHISE AGREEMENT, FRANCHISE DISCLOSURE QUESTIONNAIRE, AND FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 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.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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.

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.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(Signatures on following page)



APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- | | | | | | |
|--------------------------|------------|--------------------------|--------------|--------------------------|--------------|
| <input type="checkbox"/> | California | <input type="checkbox"/> | Michigan | <input type="checkbox"/> | Rhode Island |
| <input type="checkbox"/> | Hawaii | <input type="checkbox"/> | Minnesota | <input type="checkbox"/> | South Dakota |
| <input type="checkbox"/> | Illinois | <input type="checkbox"/> | New York | <input type="checkbox"/> | Virginia |
| <input type="checkbox"/> | Iowa | <input type="checkbox"/> | North Dakota | <input type="checkbox"/> | Washington |
| <input type="checkbox"/> | Indiana | <input type="checkbox"/> | Ohio | <input type="checkbox"/> | Wisconsin |
| <input type="checkbox"/> | Maryland | | | | |

Dated: _____, 20____

FRANCHISOR:

CARBON RECALL, LLC

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____

Rev. 030123

EXHIBIT G

CONTRACTS FOR USE WITH THE CARBON RECALL FRANCHISE

The following contracts contained in Exhibit G are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Carbon Recall Business. The following are the forms of contracts that Carbon Recall, LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.



EXHIBIT G-1

CARBON RECALL FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (“Release”) is made as of _____, 20__ by _____, a(n) _____ (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Carbon Recall, LLC, a Georgia limited liability company (“Franchisor,” and together with Releasor, the “Parties”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Carbon Recall business;

WHEREAS, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or (the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release), and Franchisor has consented to such (transfer/successor franchise agreement/amendment/termination/other reason); and

WHEREAS, as a condition to Franchisor’s consent to (transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor’s consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties**. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release**. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Georgia.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

By: _____

Printed Name: _____

Title: _____

FRANCHISEE'S OWNERS:

Date _____

Signature

Typed or Printed Name

Signature

Typed or Printed Name

Rev. 092122

EXHIBIT G-2

CARBON RECALL FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Carbon Recall, LLC, a Georgia limited liability company, and its successors and assigns (“us,” “we” or “our”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Carbon Recall business operating pursuant to a franchise agreement with us.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Carbon Recall business or the solicitation or offer of a Carbon Recall franchise, whether now in existence or created in the future.

“*Franchisee*” means the Carbon Recall franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Carbon Recall business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manuals.

“*Manuals*” means our Operation Manual and Brand Standards Manual for the operation of a Carbon Recall business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Carbon Recall business, including “CARBON RECALL,” and any other trademarks, service marks, or trade names that we designate for use by a Carbon Recall business. The term “Marks” also includes any distinctive trade dress used to identify a Carbon Recall business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); and/or (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees).

“*Restricted Period*” means the two year period after you cease to be a manager or officer of Franchisee’s Carbon Recall business; provided, however, that if a court of competent jurisdiction

determines that this period of time is too long to be enforceable, then the “Restricted Period” means the nine month period after you cease to be a manager or officer of Franchisee’s Carbon Recall business.

“*Restricted Territory*” means the geographic area within: (i) a 50-mile radius from Franchisee’s Carbon Recall business (and including the premises of the approved location of Franchisee); and (ii) a 50-mile radius from all other Carbon Recall businesses that are operating or under development as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within a 25-mile radius from Franchisee’s Carbon Recall business (and including the premises of the approved location of Franchisee).

“*System*” means our system for the establishment, development, operation, and management of a Carbon Recall business, including Know-how, proprietary programs and products, Manuals, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Carbon Recall business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee’s Carbon Recall business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee’s Carbon Recall business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the

Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Carbon Recall franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Georgia, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(Signatures on following page)

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

Rev. 120619

EXHIBIT G-3

CARBON RECALL FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of Carbon Recall, LLC, a Georgia limited liability company, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Carbon Recall Business*” means a business that provides renewable energy services and residential and commercial property improvement services to property owners and other related products and services using our Intellectual Property.

“*Copyrights*” means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Carbon Recall franchisees to use, sell, or display in connection with the marketing and/or operation of a Carbon Recall Business, whether now in existence or created in the future.

“*Franchisee*” means the Carbon Recall franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, Manuals, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Carbon Recall Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manuals.

“*Manuals*” means our Operations Manual and Brand Standards Manual for the operation of a Carbon Recall Business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Carbon Recall Business, including “CARBON RECALL” and any other trademarks, service marks, or trade names that we designate for use by a Carbon Recall Business. The term “Marks” also includes any distinctive trade dress used to identify a Carbon Recall Business, whether now in existence or hereafter created.

“*System*” means our system for the establishment, development, operation, and management of a Carbon Recall Business, including Know-how, proprietary programs and products, Manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Carbon Recall Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Carbon Recall, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Carbon Recall franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

a. Although this Agreement is entered into in favor of Carbon Recall, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Georgia, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

Rev. 032916

EXHIBIT G-4

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
<input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Bank Account No.	(check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)	Bank Phone No.	

Authorization:

Franchisee hereby authorizes Carbon Recall, LLC (“**Franchisor**”) to initiate debit entries to Franchisee’s account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____
Name: _____
Its: _____

Federal Tax ID Number: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

Rev. 032916

EXHIBIT G-5

CARBON RECALL FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment (“**Agreement**”) is entered into this ____ day of _____, 20____, between Carbon Recall, LLC, (“**Franchisor**”), a Georgia limited liability company, _____ (“**Former Franchisee**”), the undersigned owners of Former Franchisee (“**Owners**”) and _____, a [State] [corporation/limited liability company] (“**New Franchisee**”).

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20____ (“**Former Franchise Agreement**”), in which Franchisor granted Former Franchisee the right to operate a Carbon Recall franchise located at _____ (“**Franchised Business**”); and

WHEREAS, Former Franchisee desires to assign (“**Requested Assignment**”) the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor’s current form of franchise agreement together with all exhibits and attachments thereto (“**New Franchise Agreement**”), contemporaneously herewith.

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

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“**Franchisor’s Assignment Fee**”).

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee’s signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee’s rights to operate the Franchised Business are terminated and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under

the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Carbon Recall franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

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

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia.

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

FRANCHISOR:

CARBON RECALL, LLC

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Rev. 031821

EXHIBIT H

STATE EFFECTIVE DATES

State Effective Dates

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

This 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:

None of the states listed above.

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

RECEIPT

RECEIPT
(Retain This Copy)

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

If Carbon Recall, 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.

Under Iowa law, if applicable, Carbon Recall, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Carbon Recall, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Carbon Recall, 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, DC 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Darko Kapelina, 8000 Avalon Blvd., Suite 100 and 200, Alpharetta, GA 30009, (844) 255-5022

Issuance Date: April 21, 2023

I received a disclosure document issued April 21, 2023 which included the following exhibits:

- Exhibit A List of State Administrators/Agents for Service of Process
- Exhibit B Financial Statements
- Exhibit C Franchise Agreement
- Exhibit D Manuals Table of Contents
- Exhibit E List of Current and Former Franchisees
- Exhibit F State Addenda and Agreement Riders
- Exhibit G Contracts for use with the Carbon Recall Franchise
- Exhibit H State Effective Dates
- Exhibit I Receipt

Date Signature Printed Name

Date Signature Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

Rev. 012417

**RECEIPT
(Our Copy)**

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

If Carbon Recall, 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.

Under Iowa law, if applicable, Carbon Recall, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Carbon Recall, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Carbon Recall, 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, DC 20580, and the appropriate state agency identified on Exhibit A.

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- Exhibit H State Effective Dates
- Exhibit I Receipt

Date Signature Printed Name

Date Signature Printed Name

Please sign this copy of the receipt, date your signature, and return it to Carbon Recall, LLC, 8000 Avalon Blvd., Suite 100 and 200, Alpharetta, GA 30009.