FRANCHISE DISCLOSURE DOCUMENT

REPOWER™
BY SOLAR UNIVERSE

SOLAR UNIVERSE, INC
A Delaware corporation
1152 Stealth Street
Livermore, California 94551
(925) 455-4700
repower solaruniverse com
Info@solaruniverse com

The franchise offered is for the establishment and operation of a business that provides various types of solar systems, renewable energy products, and energy consulting services

The total estimated investment necessary to begin operations of a new Solar Universe franchise is \$96,800 to \$188,000 The total estimated investment necessary to convert an existing and operational solar business to a new Solar Universe franchise is \$69,900 to \$200,000 Each of these estimates includes \$35,000 that must be paid to us

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

You may wish to receive your Disclosure Document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact our Franchise Development Group, 1152 Stealth Street, Livermore, California 94551, phone (925) 455-4700

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

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

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

Date of Issuance April 7, 2017

STATE COVER PAGE

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

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

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES THAT MOST DISPUTES BE SUBMITTED TO MEDIATION THEN ARBITRATION IN ALAMEDA COUNTY, CALIFORNIA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS MOST ISSUES RELATED TO THE AGREEMENT, AND CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW YOU MAY WANT TO COMPARE THESE LAWS

3 MOST STATES AND LOCALITIES HAVE SPECIFIC REGULATIONS AND ORDINANCES APPLICABLE TO THE OPERATION OF YOUR BUSINESS, INCLUDING BUT NOT LIMITED TO THE REQUIREMENT THAT YOU OBTAIN A CONTRACTOR'S, ELECTRICIAN'S, OR SIMILAR LICENSE IT IS YOUR RESPONSIBILITY TO INVESTIGATE AND COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS, AND OBTAIN ALL NECESSARY PERMITS, LICENSES AND GOVERNMENTAL APPROVALS REQUIRED TO OPERATE YOUR BUSINESS

4 SOLAR AND OTHER FORMS OF ALTERNATIVE ENERGY ARE AFFECTED BY CERTAIN FINANCIAL, TAX AND OTHER GOVERNMENTAL INCENTIVES AND LAWS IF THOSE INCENTIVES AND LAWS CHANGE THEY MAY AFFECT YOUR BUSINESS

5 WE HAVE LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND OUR PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES

6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See next page for state effective dates

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered or on file in the following states having franchise registration and disclosure laws, with the following effective dates

State	Effective Date
California	Pending
Hawaii	Pending
Maryland	Pending
New York	Pending

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EXHIBITS

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

To simplify the language in this Disclosure Document, the words "we," "our," "us," "Solar Universe" and "REPOWER" refer to Solar Universe, Inc , dba REPOWER the franchisor of this business "You" and "your" refer to the person who buys the franchise, whether you are a corporation, limited liability company or other business entity If you are a corporation, limited liability company or other business entity, certain provisions of this disclosure also apply to your owners and will be noted

The Franchisor

We were incorporated in Delaware on January 28, 2008 to offer Solar Universe franchises Our principal business address is 1152 Stealth Street, Livermore, California 94551 We do business under our corporate name and REPOWER by Solar Universe We have offered franchises since 2008 and we do not offer franchises in any other line of business We do not operate businesses of the type being franchised

We franchise the right to operate a business providing various types of solar system installations, renewable energy products, and energy consulting services The franchise or franchised business does business under the trademark REPOWER by Solar Universe™, and also uses related service marks, trademarks or logos (our "Marks") The franchise operates using our standards, methods, procedures and specifications, called our "System "

Our Parents, Predecessors and Affiliates

We have no parent companies or predecessors

Sun Finance and Service, LLC and BriteLease, LLC are Delaware limited liability companies Sun Finance and Service, LLC provides certain administrative and program management services related to the leasing of solar systems through BriteLease, LLC BriteLease, LLC finances the installation of residential solar systems, owns the completed systems and then leases them to customers Sun Finance and Service, LLC is the sole member of BriteLease, LLC Solar Universe, Inc is the sole member of Sun Finance and Service, LLC Sun Finance and Service, LLC and BriteLease, LLC have not offered franchises of the type being franchised, have not offered franchises in any other line of business, and do not operate businesses of the type being franchised Sun Finance and Service, LLC and BriteLease, LLC have their principal business address at 1152 Stealth Street, Livermore, California 94551

General Description of the Market and Competition

A REPOWER by Solar Universe franchisee provides solar sales, design and installations, renewable energy products and energy consulting services You will compete with other businesses offering a similar mix of products and services including national chains, independently owned companies, and potentially other franchised companies Also, from time to time, you may encounter competition from other REPOWER by Solar Universe franchisees Factors that could affect the solar system installation industry are often difficult to predict and may include changes in local and national economic conditions and population density, government or utility incentives, laws or regulations, social perceptions and acceptance of alternative forms of energy, and costs of energy and technology You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand of solar technology, changes to government or utility incentives, change in the price, supply and demand for traditional and alternative forms of energy, new technologies and competition from internet-based organizations that provide information and some related products or services Our ability to fulfill our obligations under our Franchise Agreement depends in part on our present and future financial condition Litigation risks also exist, including future litigation that may not be predicted

Regulations Specific to the Industry

The regulations vary from state to state and locality to locality Most states and localities have specific regulations and ordinances which may apply to the operation of your business, including those that require a contractor's license, electrician's license or other state license and set standards pertaining to employee health and safety You must investigate and comply with all applicable laws and regulations You alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you

Agents for Service of Process

Our agents for service of process are listed on **Exhibit E** to this Disclosure Document

ITEM 2
BUSINESS EXPERIENCE

Director Abe Yokell

Mr Yokell has been on our Board of Directors since January 2011, and performs his duties from San Francisco, California From January 2008 to February 2017, Mr Yokell was a Partner and Principal with RockPort Capital Partners, one of our shareholders, in San Francisco, California Since February 2017, Mr Yokell has served as a Founder and Managing Partner of Congruent Ventures, in San Francisco, California

Director Peter Gutman

Mr Gutman has been on our Board of Directors since September 2015, and performs his duties from London, England Mr Gutman served as a senior advisor to Standard Chartered Bank Private Equity, based in London, from January 2014 to September 2015, and from August 2008 until January 2014, was a Managing Director with Standard Chartered in London, England

Director David J Prend

Mr Prend has been on our Board of Directors since September 2013, and performs his duties from Boston, Massachusetts Mr Prend co-founded RockPort Capital Partners, one of our shareholders, in 1998, and has served as its Managing General Partner since its formation

Director Joseph Bono

Mr Bono has been on our Board of Directors since March 2009 and performs his duties from Truckee, California Mr Bono served as our Chief Executive Officer from March 2009 through May 2015,, and served as our President from March 2009 until March 2015

Chief Executive Officer, President and Director Mahesh Mansukhani

Mr Mansukhani has served as our Chief Executive Officer since May 2015 From January 2014 to March 2015, Mr Mansukhani was Chief Executive Officer of sBioMed, LLC in Salt Lake City, Utah From July 2008 to June 2013, Mr Mansukhani was President of Ossur Americas in Lake Forest, California

Chief Revenue Officer Daniel Rubin

Mr Rubin has served as our Chief Revenue Officer since November 2015 Mr Rubin worked at E I du Pont de Nemours and Company since 1990 From August 2010 to November 2015, Mr Rubin served as the Global Business Director – Titanium Technologies in Singapore

Secretary, General Counsel and Vice President of Corporate Development Stephen M Schmidt

Mr Schmidt has served as our Secretary, General Counsel and Vice President of Corporate Development since September 2012 From June 2004 to July 2012, Mr Schmidt was an Associate Attorney at Wilson, Sonsini, Goodrich & Rosati in Palo Alto, California

Vice President of Franchise Development Dusty Ansley

Mr Ansley has served as our Vice President of Franchise Development since May 2012 From October 2011 to May 2012, Mr Ansley served as our Director of Franchise Development

Vice President of Business Development Joseph Barghouthi

Mr Barghouthi has served as our Vice President of Business Development since July 2016 Mr Barghouthi served as our Director of Channel Development from June 2015 to June 2016 From January 2014 to June 2015, Mr Barghouthi served as our Director of Business Development, and from June 2011 to January 2014 he served as a Franchise Advocate

Vice President of Franchise Business Management Josh Schlipp

Mr Schlipp has served as our Vice President of Business Management since July 2016 Mr Schlipp served as our Director of Account Management from May 2015 to June 2016, and from September 2013 to May 2015, he served as our Director of Sales From July 2011 to August 2013, Mr Schlipp was President of Gen110, Inc in San Francisco, California

Sr Director of Operations Chris Shea

Mr Shea has served as our Senior Director of Operations since October 2015 From 2009 until October 2015, Mr Shea was the owner and operator of a Solar Universe franchise in San Jose, California

ITEM 3
LITIGATION

Prior Actions

Solar Universe Inc , Plaintiff vs Jersey Electric, Inc , Jersey Solar of Las Vegas, Inc , Brian Geczi, and Gregg Lawson, Defendants, United States District Court, District of Nevada – Las Vegas, Case Number 2 14-cv-01351-GMN-CWH

Brian Geczi and Gregg Lawson were owners and officers of Jersey Electric, Inc ("Jersey Electric"), and are guarantors of the Solar Universe Franchise Agreement between Jersey Electric and us Jersey Solar of Las Vegas, Inc ("Jersey Solar") is an entity formed by Brian Geczi and Gregg Lawson, which we alleged was doing business in direct competition with Jersey Electric, was diverting business from Jersey Electric, and was using Solar Universe trademarks, trade secrets and confidential information in the operation of the Jersey Solar business On August 19, 2014, we filed a complaint against defendants claiming breach of contract, breach of guaranty, trademark infringement, false advertising and unfair competition We sought injunctive relief from this action to stop defendants' unfair, wrongful and infringing conduct All other forms of relief, including monetary damages and attorneys' fees and costs, were pursued in arbitration (discussed in the matter below) On or about October 10, 2014 defendants filed an answer and counter claims against us alleging breach of agreements, breach of the implied covenants of good faith and fair dealing, and unfair competition Defendants sought damages between $75,000 and $150,000, restitution of money paid to us, special damages including attorneys' fees and lost profits, and such other relief as deemed by the Court The matter was stayed by the Court pending the outcome of the arbitration proceeding, and was subsequently settled in November 2015 pursuant to a Settlement Agreement described in the bankruptcy matter below

In the arbitration of Solar Universe Inc , Claimant, vs Jersey Electric, Inc , Jersey Solar Las Vegas, Inc , Brian Geczi, and Gregg Lawson, Respondents, American Arbitration Association (AAA) Case Number Case No 01-14-0001-4077, filed in Alameda County, California

On September 8, 2014, we filed a notice of demand for arbitration against the respondents alleging breach of contract, breach of guaranty, trademark infringement, false advertising and unfair competition (see discussion in District Court case above), and sought monetary damages in excess of $7,000,000 with injunctive relief, attorneys' fees, and costs Respondents filed counter-claims alleging breach of agreements, breach of implied covenants of good faith and fair dealing and unfair competition, and sought monetary damages between $75,000 and $150,000, restitution of money paid to us, special damages including attorneys' fees and lost profits In July 2015, respondents filed a voluntary Chapter 11 petition for bankruptcy relief and the arbitration was stayed pending the bankruptcy proceeding This matter was settled in November 2015 pursuant to a Settlement Agreement as described in the bankruptcy matter below

In re Jersey Electric & Solar, fdba Jersey Solar Las Vegas, Inc, fdba Solar Universe Las Vegas, Inc, fdba Jersey Electric, Debtor, United States Bankruptcy Court, District of Nevada – Las Vegas, Case Number BK-S-15-14394-LED

On July 31, 2015, debtor filed a voluntary Chapter 11 petition for bankruptcy relief We filed a motion to the Bankruptcy Court seeking an order allowing us to pursue our claims against the debtor as described in the arbitration matter above In November 2015, the parties reached a settlement and the Settlement Agreement was approved by the Bankruptcy Court Under the terms of the Settlement Agreement, debtor agreed to pay us $2,500,000, which amount will be reduced to $1,250,000 if paid in accordance with a 3-year payment plan, and further reduced to $975,000 if paid in a lump sum

Other than these actions, no litigation is required to be disclosed in the Disclosure Document

ITEM 4
BANKRUPTCY

Our Secretary, General Counsel and Vice President of Corporate Development, Stephen M Schmidt, filed a petition under Chapter 13 of the U S Bankruptcy Code on October 19, 2011, before being employed by Solar Universe, Inc *In re* Stephen Matthew Moncarz Schmidt and Christina Moncarz Schmidt, Debtors, No 11-5-9726 (N Dist Cal 2011) On July 31, 2012, the bankruptcy court entered a discharge

Other than this action, no bankruptcies are required to be disclosed in the Disclosure Document

ITEM 5
INITIAL FEES

The Initial Franchise Fee is $35,000 You pay us the Initial Franchise Fee in a lump sum when you sign the Franchise Agreement The Initial Franchise Fee is non-refundable and fully earned when paid We reserve the right, in our sole discretion, to reduce or waive the Initial Franchise Fees

All franchisees signing a Franchise Agreement during our fiscal year ended December 31, 2016 paid the Initial Franchisee Fee of $35,000

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	4% of monthly gross sales	As invoiced, typically within 40 days from the first item ship date of a project order	You must pay your royalty fee directly to us through electronic transfer See definition of gross sales [1]

Type of Fee	Amount	Due Date	Remarks
Marketing Fund Contribution	$500 for every $500K per quarter in revenue or $1,000 per quarter, whichever is greater Not to exceed $5,000 per quarter	Quarterly	You pay your marketing fund contribution to us Marketing fund contribution will increase based on revenue
Local Advertising	At least 6% of your Target Gross Sales	Monthly	You must pay directly for local advertising If we form advertising cooperatives, we may collect and designate all or a portion of your Local Advertising payments to fund the cooperative
Audit Expenses [2]	All costs and expenses associated with the audit, approximately $1,500 to $5,000	Upon demand	Audit costs payable only if the audit shows you have underreported gross sales by 3% or more
Late Fees[3]	1 5% per month (18% per annum) or the highest rate allowed by the state where you are located, whichever is lower	Upon demand	Applies to all fees not paid within 5 days of due date Also applies to any understatement in amounts due revealed by an audit
Approval of Products or Suppliers[4]	Approximately $100 to $2,000	Time of evaluation	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase
Cost of Enforcement for Non-approved Vendors[5]	$3,000 as applied to any purchases of products or supplies from non-approved vendors	Upon demand	Applies as a measure of reasonable liquidated damages for associated costs we incur in time and resources to enforce the obligations under the Franchise Agreement, as applicable to any purchases of products or supplies from non-approved vendors
Insurance Policies	$2,000 to $6,000	Upon demand	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies, payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you
Transfer Fee	$10,000	At the time of transfer	Payable to us at time of transfer to a third party Does not apply to an assignment to a controlled entity
Successor Term Fee	$5,000 or $500 if the prior year's revenue exceeded $5M	At the time of renewal	Payable to us at the time you sign our then-current franchise agreement for a successor term

Type of Fee	Amount	Due Date	Remarks
System Modifications	$500 to $10,000	As required	If we make changes to our System, you must adapt your business to conform to the changes Some examples of changes include software fixtures, and new equipment Maximum fees are based on complete rebranding of the System that will include new Marks
Relocation Assistance	Approximately $750 to $1,500	Time of assistance	If you need our assistance to relocate, you must reimburse our costs to assist you
Customer Service[6]	All costs incurred in assisting your customers, approximately $50 to $7,000	Upon demand	You must reimburse us if we determine it is necessary for us to provide service directly to your customers
Ongoing Training[7]	$300 to $1,500	Time of program	Your Designated Manager must attend ongoing training, and you must pay the expenses for your Designated Manager to attend We may charge a fee for tuition or training fees, attendance will not be required more than 1 time per year and will not exceed 2 days in any year
Additional Operations Assistance	Currently, $600 per day plus our expenses	Time of assistance	If you need assistance from us to run your company while you are out, then we will send a representative to run your franchise until you can return
Cost of Enforcement	All costs and expenses including reasonable attorneys' fees	Upon demand	You must reimburse us for all costs in enforcing obligations under your Franchise Agreement
Indemnification	All costs including reasonable attorneys' fees	Upon demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the franchised business
Technical Training	$695 per person	Upon demand	You do not pay a fee for your Designated Manager, at least one owner, and 2 additional employees to attend Technical Training within the 1st year of signing of your Franchise Agreement If you wish to have additional individuals attend, or if individuals attend outside the 1st year window, you must pay tuition fee as indicated

Type of Fee	Amount	Due Date	Remarks
Business Operations Training	$295 per person	Upon demand	You do not pay a fee for your Designated Manager or any owner, and 2 additional sales advisors to attend Business Operations Training within 90 days of the signing of your Franchise Agreement If a new Designated Manager or any owner attends outside the 90-day window, you must pay tuition fees as indicated
Centralized Lead Generation Services	Cost of Services (not yet determined) [7]	Upon demand	We may charge commercially reasonable fees for these services if offered within your Metro Service Area
Area Marketing Programs	Will vary depending on circumstances [8]	Upon demand	We may offer optional Area Marketing Programs

We require that all fees payable to us be paid when due and be paid through an electronic depository transfer account

All of the fees noted above are uniformly imposed and collected by us and/or our affiliates who may provide the described services, however, we retain the right to negotiate the above-listed fees with individual franchisees under unique circumstances All fees are non-refundable

NOTES

[1] "Gross sales" means all revenue from the sale of products and services from all sources in connection with the franchised business Gross sales do not include sales or use tax, refunds made in good faith, rebates received by you from a manufacturer or supplier, or allowances you may give to a customer in full or partial satisfaction of the price of any products offered

[2] We assume costs vary depending on various factors, including prevailing auditor's rates in your area, the business activity being audited and how well you keep your books and records You pay our actual costs only You should be able to investigate these costs by contacting auditors in your area

[3] Late fees begin from the date payment was due, but not received, or date of underpayment

[4] Costs vary depending on the availability of product samples for testing, shipping costs or travel costs to review the product, the type of product under review, whether the product or supplier has been rated and other similar factors You pay our actual costs only

[5] The products and supplies related to outside vendors must also be approved in writing by us We may withhold our approval in our discretion for any reason An additional $3,000 will be charged for purchases of products or supplies from non-approved vendors or suppliers that have not been approved by us in writing

[6] Costs vary depending on factors, including nature of the complaint, expertise needed and the time involved You pay our actual costs only

[7]Costs are expected to vary depending on services provided, currently no fees are being charged

[8]Costs vary depending on the types of programs offered

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Section I Franchised Business – Start Up (Non-Conversion)*

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Franchise Fee[1]	$35,000	$35,000	Cashier's Check, Wire or Electronic Depository Transfer Account	At Signing of Franchise Agreement	Us
Real Estate/Rent[2]	$2,000	$6,000	As Arranged	Before Beginning Operations	Lessor
Utility Deposits[3]	$0	$500	As Arranged	Before Beginning Operations	Utilities
Leasehold Improvements[4]	$0	$10,000	As Arranged	Before Beginning Operations	Contractor, Suppliers
Insurance[5]	$2,000	$6,000	As Arranged	Before Beginning Operations	Insurance Company
Office Equipment & Supplies[6]	$500	$1,500	As Arranged	Before Beginning Operations	Suppliers
Training[7]	$500	$3,000	As Arranged	During Training	Airlines, Hotels & Restaurants
Initial Inventory, Tools, Uniforms[8]	$500	$1,000	As Arranged	Before Beginning Operations	Approved Suppliers, Suppliers
Signage w/Truck Wrapping[9]	$1,500	$6,000	As Arranged	Before Beginning Operations	Approved Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Vehicle[10]	$0	$1,500	As Arranged	Before Beginning Operations	Suppliers
Furniture, Fixtures & Equipment[11]	$0	$2,000	As Arranged	Before Beginning Operations	Suppliers
Initial Marketing Kit[12]	$3,000	$6,000	As Arranged	First 3 Months of Operation	Approved Suppliers
Computers and Related Peripherals[13]	$1,000	$3,000	As Arranged	Before Beginning Operations	Suppliers
Licenses & Permits[14]	$500	$4,000	As Arranged	Before Beginning Operations	Licensing Authorities
Legal & Accounting[15]	$300	$2,500	As Arranged	Before Beginning Operations	Attorney, Accountant
Additional Funds[16] (3 months)	$50,000	$100,000	As Arranged	As Necessary	Employees, Utilities, Lessor and Suppliers
TOTAL[17]	$96,800	$188,000			

*The information in Section I Franchised Business – Start Up (Non-Conversion) above is based on the various fees and costs associated with an estimated initial investment to start up a new franchised business

Section II Franchised Business – Conversion**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low[18]	High			
Franchise Fee[1]	$35,000	$35,000	Cashier's Check, Wire or Electronic Depository Transfer Account	At Signing of Franchise Agreement	Us
Real Estate / Rent[2]	$1,000	$6,000	As Arranged	Before Beginning Operations	Lessor

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low[18]	High			
Utility Deposits[3]	$0	$500	As Arranged	Before Beginning Operations	Utilities
Leasehold Improvements[4]	$0	$5,000	As Arranged	Before Beginning Operations	Contractor, Suppliers
Insurance[5]	$2,000	$6,000	As Arranged	Before Beginning Operations	Insurance Company
Office Equipment & Supplies[6]	$0	$1,500	As Arranged	Before Beginning Operations	Suppliers
Training[7]	$500	$6,000	As Arranged	During Training	Airlines, Hotels & Restaurants
Initial Inventory, Tools, Uniforms[8]	$500	$10,000	As Arranged	Before Beginning Operations	Approved Suppliers, Suppliers
Signage w/Truck Wrapping[9]	$1,500	$6,000	As Arranged	Before Beginning Operations	Approved Suppliers
Vehicle[10]	$0	$1,500	As Arranged	Before Beginning Operations	Suppliers
Furniture, Fixtures & Equipment[11]	$0	$2,000	As Arranged	Before Beginning Operations	Suppliers
Initial Marketing Kit[12]	$4,000	$10,000	As Arranged	First 3 Months of Operation	Approved Suppliers
Computers and Related Peripherals[13]	$0	$3,000	As Arranged	Before Beginning Operations	Suppliers
Licenses & Permits[14]	$100	$4,000	As Arranged	Before Beginning Operations	Licensing Authorities
Legal & Accounting[15]	$300	$3,500	As Arranged	Before Beginning Operations	Attorney, Accountant

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low[18]	High			
Additional Funds[16] (3 months)	$25,000	$100,000	As Arranged	As Necessary	Employees, Utilities, Lessor, Suppliers, Local Marketing & Advertising Providers
TOTAL[17 18]	$69,900	$200,000			

**The information in Section II Franchised Business – Conversion above is based on the various fees and costs associated with an estimated initial investment for converting an existing commercial solar business into a franchised business

NOTES

[1] Franchise Fee The franchise fee is non-refundable

[2] Real Estate/Rent The franchised business must be located in a suitable commercial location within your designated Metro Service Area, and must be approved by us You cannot operate the franchised business from a home office but you may operate the franchised business from a small rented space of approximately 1,000 square feet with available storage space for equipment and supplies It is difficult to estimate lease acquisition costs as these will vary based upon square footage, cost per square foot and required maintenance costs The low estimate is based on an assumption that you will have an office facility of approximately 1,000 square feet, a minimal security deposit and a low cost per square foot The high estimate is based on an assumption that you will have to pay a security deposit equal to 2 months' rent to secure a lease on a facility of 1,000 square feet at a higher cost per square foot The amounts you pay are typically non-refundable The estimated range of costs in this category only includes your costs to enter into a lease agreement for a facility Estimated rental costs for 3 months are included with the category, "Additional Funds," (see Note 16 below)

[3] Utility Deposits If you are a new customer of your local utility and are leasing new space for the franchised business, you may have to pay deposits to obtain services such as electric, telephone, gas and water The amount of the deposit and whether the deposit is refundable will vary depending on the local utilities The low figure is based on operating the franchised business in a commercial space in which you have an existing relationship with utility providers with no new deposits required The high cost is based on your leasing a larger commercial space where deposits will be required

[4] Leasehold Improvements In most instances, adapting a newly acquired facility for operation of the franchised business, will require renovations The cost of these will vary depending on factors such as unit size, condition, location , local wage rates, cost of materials, etc The low estimate assumes that your

office has appropriate existing improvements or such improvements are included with your lease Money paid for leasehold improvements is typically non-refundable

[5] Insurance You must purchase the following types and amounts of insurance

(1) "all risk" property insurance coverage for assets of the franchised business,
(2) workers' compensation insurance and employer liability coverage with a minimum limit of $1,000,000 or higher if your state law requires,
(3) comprehensive general liability insurance with a minimum liability coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate, or higher if your state law or a project funding provider that you choose to work with requires, and
(4) automobile liability insurance of at least $1,000,000 or higher if your state law requires

Factors that may affect your cost of insurance include the size and location of the franchised business, value of the leasehold improvements, equipment, inventory, number of employees and other factors You may be required to purchase additional insurance if it is required by third parties, such as financial services or project funding providers Money paid for insurance is typically not refundable

[6] Office Equipment & Supplies If you don not currently own the office automation equipment needed to operate the franchised business, you must purchase it Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers and other factors We do not know if the amounts you pay for office equipment and supplies are refundable You should inquire about the return and refund policy of the supplier at or before the time of purchase

[7] Training The cost of initial training is included in the franchise fee, but you are responsible for transportation and expenses for meals and lodging while attending training The total cost of training will vary depending on the number of people attending, how far you travel and the type of accommodations you choose These expenses are typically non-refundable Before making airline ticket, hotel, rental car or other reservations, you should inquire about the refund policy in the event you need to cancel any reservation

[8] Initial Inventory, Tools, Uniforms You must purchase tools and an initial supply of uniforms before opening the franchised business You will not be required to possess an initial inventory of solar components before opening the franchised business Costs of initial inventory, tools, and uniforms will vary We do not know if the amounts you pay for inventory items will be refundable Factors determining whether inventory items are refundable typically include the condition of the items at time of return, level of use and length of time of possession You should inquire about the return and refund policy of the suppliers at or before the time of purchasing

[9] Signage and Truck Wrapping This range includes the cost of all signage used in the franchised business, plus the truck wrapping according to our specifications The cost of wrapping vehicles will vary The amounts you pay for the signage and vehicle wrapping are typically non-refundable You should inquire about the cancellation and refund policy of the supplier at or before the time of purchase

[10] Vehicle You are required to purchase or lease a vehicle meeting our specifications All vehicles must be new unless advance written approval is provided The low cost represents the anticipated down payment on a lease for a work van (e g , Dodge Sprinter), and the high end represents the down payment on a lease for both a work van and a hybrid sales car Vehicle lease and credit terms will vary The amounts you pay for a vehicle are typically non-refundable

[11] Furniture, Fixtures & Equipment If you do not already own the furniture, fixtures and equipment necessary to operate your franchised business, you will be required to purchase or lease these items The cost of the furniture, fixtures, and equipment will vary We do not know if the amounts you pay for furniture, fixtures or equipment are refundable

[12] Initial Marketing Kit Before opening and during your first 3 months of operation, you must purchase an initial marketing kit that ranges in price from $3,000 to $10,000, depending on marketing strategies, which includes uniforms, collateral, van wraps, business cards and other brand items The amounts you spend for the initial marketing kit are typically not refundable

[13] Computers and Related Peripherals If you do not already own computers and peripherals as required to operate the franchised business, you must purchase or lease them Our specifications for computers and related peripherals are described in Item 11 We do not know if the amounts you pay for the computers and related peripherals are refundable

[14] Licenses & Permits State and local government agencies typically charge fees for occupancy permits, operating licenses and construction permits Your actual costs may vary from the estimates based on the requirements of state and local government agencies These fees are typically non-refundable You should inquire about the cancellation and refund policy of the agencies at or before the time of payment

[15] Legal & Accounting You will need to employ an attorney, an accountant and other consultants to assist you in establishing your franchised business These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants These fees are typically non-refundable You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring

[16] Additional Funds We recommend that you have a minimum amount of money available to cover operating expenses, including rent, utilities, employees' salaries, and local marketing and advertising costs for the first 3 months that the franchised business is open Salaries for the franchise owners are not included in this amount We cannot guarantee that our recommendation will be sufficient Additional working capital may be required if sales are low or operating costs are high These expenses are typically non-refundable

[17] Total In compiling this chart, we relied on our and our affiliates' industry knowledge and experience The amounts shown are estimates only and may vary for many reasons You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the franchised business

[18] Conversion Under a business conversion scenario (see Section II), when converting an existing solar business into a REPOWER by Solar Universe franchised business, we expect that some existing expenses may remain relatively constant which may not reasonably require any new substantial and material increases of initial investment for a newly franchised business Therefore, the low estimate amount shown in Section II reflects that expectation

You should review these estimates carefully with an accountant or other business advisor before making any decisions to buy a franchise or to convert an existing commercial business to a franchised business The figures shown are only estimates based on our and our affiliates' industry knowledge and experience We cannot guarantee that you will not have additional expenses

We do not offer direct or indirect financing to you for any items listed above

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase all products offered or sold by your franchised business from an approved supplier, including solar panels, inverters, racking systems, monitoring equipment, mounting hardware, and other major solar system components We may continually add additional products for sale and we reserve the right (either ourselves or through an affiliate of ours) to serve, as we currently do, as the approved supplier, and the only approved supplier, of those products You currently cannot contract to purchase your requirements of these solar or alternative energy products from any other supplier This is regardless of an alternative supplier's ability to provide similar quality products at a competitive price This is to create and preserve uniform and efficient standards and procedures throughout the System We earn revenue and realize a profit from franchisees' purchases of these solar products This revenue will compensate us for our purchasing and distribution of such items to you As of our most recent fiscal year end December 31, 2016, our revenues from franchisees' required purchases and leases was $32,310,042, or 71% of our total revenues of $45,699,949

You must purchase most of your marketing collateral from an approved supplier, including apparel, print collateral, sales materials, promotional items, banners and signs, event canopies, advertisements, vehicle wraps, business cards, and other similar marketing items We may continually add or change the marketing items you must purchase from approved suppliers and we reserve the right (either ourselves or through an affiliate of ours) to serve as the approved, and the only approved, supplier of those items You cannot contract to purchase your requirements of marketing collateral from suppliers we have not approved This is regardless of an alternative supplier's ability to provide similar quality products at a competitive price This is to create and preserve uniform and efficient standards and procedures throughout the System We do not currently earn any revenue or realize a profit from franchisees' purchases of marketing collateral from approved suppliers

We reserve the right to designate, and when required, revoke the designation of approved suppliers for any other products, equipment, tools, supplies, or services used or sold in your franchised business You will be required to use these approved suppliers exclusively in the conduct of your franchised business We or our affiliate may be an approved supplier We will act as the sole agent in negotiating approved supplier agreements, discounts, and terms for all REPOWER by Solar Universe franchisees Some approved suppliers may not be available in certain markets The logistics of assigning approved suppliers will be determined by us Our criteria for making such determinations includes the supplier's ability to provide sufficient quantity of goods, quality of goods or services at competitive prices, production and delivery capability, dependability and general reputation, and our decision that those goods or services should be available only through a single supplier, which may be us or one of our affiliates We reserve the right to change our approved suppliers as we see fit

You must purchase certain items that we designate, such as tools, electrical supplies, computer equipment (hardware and software), in accordance with specifications as described in our Confidential Manuals or otherwise communicated in writing These specifications may include standards and specifications for appearance, quality, price, performance and functionality These standards and specifications will be based on our experience and through research and testing We may communicate our standards and specifications directly to suppliers who wish to supply you with these items We communicate our standards and specifications to you when we evaluate your proposed location for the franchised business, during training, during on-site opening assistance, during periodic visits to your franchise location and through the Confidential Manuals (including periodic bulletins) We may periodically issue new (or modified) standards and specifications (if any) through written notices While we may have created standards and specifications for your franchised business, we may not have approved suppliers for all such items

If you would like to purchase or use any goods or services in establishing or operating your franchised business from suppliers we have not approved, you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications and that the supplier meets our approved supplier criteria When required by us, you must pay our expenses to evaluate goods, services or suppliers We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier Our criteria for approving or revoking approval of suppliers includes the supplier's ability to provide sufficient quantity of goods, quality of goods or services at competitive prices, production and delivery capability, dependability and general reputation, and our decision that those goods or services should be available only through a single supplier, which may be us or one of our affiliates

Periodically, we may review our approval of any goods, services or suppliers We will notify you if we revoke our approval of goods, services or suppliers, and you must immediately stop purchasing disapproved goods or services, or must immediately stop purchasing from a disapproved supplier Additionally, we may negotiate pricing arrangements, including volume discounts on behalf of our franchisees with our suppliers Volume discounts may not be available to franchisees located in outlying markets that a particular supplier does not serve in significant volume

We estimate that approximately 60% to 85% of your expenditures for leases and purchases in establishing your franchised business will be for goods and services that must be purchased from an approved supplier (which includes us or an affiliate of ours) or according to our standards and specifications Once you are operational, we estimate that approximately 50% to 60% of your expenditures will be for goods and services that must be purchased either from an approved supplier (which includes us or an affiliate of ours) or according to our standards and specifications

No officer of ours or any other person identified in Item 2 of this Disclosure Document has any ownership or other interest in any approved supplier, other than us or an affiliate of ours We do not provide material benefits to you (including renewal rights or the right to additional franchises) based on whether you purchase through the sources we designate or approve We have no purchasing or distribution cooperatives serving our franchise System nor do we require you to join one

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 in the Franchise or Other Agreement	Disclosure Document Item
a	Site selection and acquisition/lease	Section 5 of Franchise Agreement (**"FA"**)	Items 11 and 12
b	Pre-opening purchases/leases	Sections 5, 11, and 15 of FA	Items 7 and 8
c	Site development and other pre-opening requirements	Sections 5 and 8 of FA	Items 7, 8 and 11
d	Initial and ongoing training	Section 8 of FA	Items 6, 7 and 11
e	Opening	Sections 5 and 8 of FA	Item 11
f	Fees	Sections 2, 3, 4, 8, 10, 11, 14, 15, 16, 18 and 23 of FA	Item 5, 6 and 7
g	Compliance with standards and policies/Confidential Manuals	Sections 2, 5, 6, 7, 9, 10, 12 and 13 of FA	Items 8, 14 and 16
h	Trademarks and proprietary information	Sections 6, 7, 9, 16 and 17 of FA	Items 13 and 14
i	Restrictions on products/services offered	Sections 2, 6 and 13 of FA	Items 8 and 16
j	Warranty and customer service requirements	Section 13 of FA	Item 16
k	Territorial development and sales requirements	Sections 2 and 5 of FA	Item 12
l	Ongoing product/service purchases	Sections 6 and 13 of FA	Item 8 and 11
m	Maintenance, appearance and remodeling requirements	Sections 5, 10 and 13 of FA	Item 6
n	Insurance	Section 15 of FA	Items 6, 7 and 8
o	Advertising	Section 11 of FA	Items 6,7 and 11
p	Indemnification	Section 21 of FA	Item 6

Obligation		Section in the Franchise or Other Agreement	Disclosure Document Item
q	Owner's participation/management/ staffing	Section 13 of FA	Item 15
r	Records and reports	Section 12 of FA	Item 11
s	Inspections and audits	Sections 6 and 12 of FA	Items 6, 11 and 13
t	Transfer	Section 18 of FA	Items 6 and 17
u	Renewal	Section 4 of FA	Item 17
v	Post-termination obligations	Section 17 of FA	Item 17
w	Non-competition covenants	Sections 7 and 17 of FA	Item 17
x	Dispute resolution	Section 23 of FA	Item 17
y	Other	Not Applicable	Not Applicable

ITEM 10
FINANCING

We currently do not offer financing to our franchisees

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

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

A Before you open your franchised business, we will

1 if we have not already approved a site that you have selected before signing the Franchise Agreement, provide you with our criteria for site selection and approve the site you have selected for the location of the franchised business office (Sections 2 3 and 5 1)

2 designate your non-exclusive Metro Service Area (Section 2 5)

Neither we nor any of our affiliate, owners, employees or agents have special expertise in selecting sites, we make no representations that your franchised business will be profitable or successful by being located at the approved location Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience

3 if applicable, review and approve your lease or purchase agreement for the approved site for the franchised business (Section 5 3)

Our review of your lease or purchase agreement and any modifications or recommendations we may offer is not a representation or guarantee by us that you will succeed at the leased or purchased premises Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience

4 provide an initial training program to you related to the operation and administration of the franchised business (Section 8 1)

5 we will make available to you, at our expense, one (1) of our representatives for the purpose of familiarizing your staff with our techniques and for the purpose of providing general assistance and guidance related to the opening of the franchised business (Section 8 2)

6 provide you online access to our Confidential Manuals, Survey Design and Installation Guide, and Sales and Marketing Guide ("Confidential Manuals") (Section 9 1)

7 provide to you a detailed checklist of required pre-opening tasks which must be completed to our satisfaction prior to beginning operations (Section 5 6 2)

B After the opening of the franchised business, we will

1 periodically advise you, discuss problems, and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods (Section 14 1)

2 make periodic visits to the franchised business and may accompany you on job assignments to provide you with consultation, assistance and guidance in various aspects of the operation and management of the franchised business We may prepare written reports suggesting changes or improvements in the operations of the franchised business and detailing deficiencies that become evident as a result of a visit If we prepare a report, we may provide you with a copy (Section 14 2)

3 make available to you operations assistance and ongoing training as we think necessary (Sections 8 2 and 8 4)

4 approve forms of advertising materials you will use for local advertising and cooperative advertising (Section 11 2)

5 provide you with modifications to the Confidential Manuals as they are made available to franchisees (Section 9 2)

C Advertising and Promotion

1 Before, and during a period of approximately three (3) months following the initial opening of the franchised business, you must spend no less than $5,000 in initial marketing We must approve all materials to be used in your marketing or advertising before their use Your initial marketing kit expenditures are in addition to any local advertising expenditures and Marketing Fund contributions (Section 11 1)

2 You must continuously promote the franchised business Every month, you must spend at least 6% of your Target Gross Sales in your Metro Service Area on advertising, promotions, and public relations ("Local Advertising") You must make these expenditures directly, subject to our prior approval and direction We will provide general guidelines to you for conducting Local Advertising You must develop and submit to us, for our review and approval, a quarterly marketing plan You must furnish

to us an accurate accounting of your expenditures on Local Advertising Local advertising is your responsibility (Section 11 2)

3 We have established and administer a system-wide marketing, advertising and promotion fund to assist in our regional and national advertising ("Marketing Fund") On a quarterly basis, you will be required to contribute $1,000 for that quarter or $500 for every $250K in quarterly gross sales, whichever amount is greater, not to exceed $5,000, to the Marketing Fund ("Marketing Fund Contribution") We will be permitted to make reasonable adjustments to your required Marketing Fund Contribution upon at least thirty (30) days prior written notice to you In the future, other franchisees may contribute a different amount to the Marketing Fund (or may contribute at a different rate), however currently all franchisees contribute at the same rate as stated above (Section 11 3) We will administer the Marketing Fund as follows

(a) We will oversee all marketing programs, with sole control over creative concepts, materials and media used in all marketing programs We will control the placement and allocation of all marketing program advertisements We may use print, television, radio, internet or other media for advertisements and promotions and the marketing program(s) may be local, regional or system-wide We do not warrant that any particular franchisee will benefit directly or *pro rata* from expenditures by the Marketing Fund, nor do we warrant the success or effectiveness of any particular marketing program

(b) All Marketing Fund Contributions (and related any earnings) will be used exclusively to meet the costs of maintaining, administering, directing, conducting, producing, preparing, and accounting for marketing, advertising, public relations, and/or promotional programs and materials, and any other activities, including socially responsible activities intended to enhance the image of the REPOWER by Solar Universe system, conventional media marketing campaigns, developing and enhancing internet presence, marketing surveys, public relations activities, sponsorships, purchase and distribution of promotional items, conducting promotions, developing and providing promotional and other marketing materials and services to our franchisees, and costs of general and administrative expenses relating to the Marketing Fund We do not use any Marketing Fund contributions principally to solicit new franchise sales

(c) We try to spend all Marketing Fund Contributions during the fiscal year within which such contributions are made If excess amounts remain in any Marketing Fund at the end of any fiscal year, expenditures in the following fiscal year(s) will be made first out of the excess amounts, including any interest or other earnings of the Marketing Fund, then out of contributions from the current fiscal year

(d) Although we intend the Marketing Fund to be perpetual, we have the right to terminate it at any time The Marketing Fund will not be terminated, however, until all Marketing Fund Contributions have been expended for advertising and promotional purposes or returned to you and other franchisees on a *pro rata* basis (based on total Marketing Fund Contributions made in the aggregate by each franchisee)

(e) All REPOWER by Solar Universe businesses owned by us or an affiliate will make contributions to the Marketing Fund at the same rate as required of comparable franchisees In the past fiscal year, we have also made additional contributions to the Marketing Fund

(f) The Marketing Fund is not audited No more than once per year, upon your written request, we will provide an accounting of how Marketing Fund monies were used during the previous year

(g) The Marketing Fund is not a trust and we assume no fiduciary duty in administering the Marketing Fund

(h) During the last fiscal year ended December 31, 2016, 80% of the Marketing Fund was spent on production of creative materials and 20% was spent on media placement

4 Although we are not obligated to do so, we may create a cooperative advertising program for the benefit of all REPOWER by Solar Universe franchisees located in a region We have the right to collect and designate all or a portion of the local advertising payments for cooperative advertising We will determine the geographic territory and market areas for each cooperative advertising program You must participate if an approved cooperative advertising program is established in your MSA If cooperative advertising is implemented in an MSA, we may establish an advertising council consisting of franchisees located in that region to self-administer the program If we establish a cooperative advertising program or programs with or without an advertising council, there are no limits on our right to change, dissolve or merge these program(s) and/or council(s) at any time (Section 11 4) We do not maintain a franchisee advertising council to advise us on advertising policies but reserve the right to create one at any time or to consult with individual franchisees on an ad hoc basis at our discretion

5 You must list the franchised business in paper and electronic directories applicable to your Metro Service Area We may also appoint an agent or agency to place telephone directory or electronic listings on your behalf and at your expense (Section 11 6)

6 You may not advertise or otherwise create content on the internet using or containing the Marks or the words "REPOWER" or "Solar Universe", or any variation of those names You may not establish any other internet site or website related to the franchised business, without our prior written approval You are restricted from establishing a presence on, or marketing on the internet without our prior written consent We have an internet website at the uniform resource locator repower solaruniverse com that provides information about the System and about the products and services that we and our franchisees provide We may (but we are not required to) include at the REPOWER by Solar Universe website, an interior page containing information about your franchised business If we include information about your franchised business on our website, we have the right to require you to prepare all or a portion of the page, at your expense, using a template that we provide All information will be subject to our approval before posting We retain the sole right to advertise or use the Marks on the internet in any manner and in any form You will be required to follow our intranet and internet usage rules, policies and requirements We retain the sole right to approve any linking to, or other use of, the REPOWER by Solar Universe website (Sections 6 7 and 11 5)

D Computer Hardware and Software

We reserve the right to require you to purchase or license, install and use computer hardware and software systems for key aspects of the franchised business, including sales, accounting, job quotation, lead generation, equipment procurement, email, and calendaring as specified in the Confidential Manuals or otherwise in writing (Section 12 6) Presently, we require you to purchase the following hardware and software

HARDWARE
2 Notebook Computers, 1 for office use and 1 for field use
Mobile printer
All-in-one Copier/Scanner/Printer
iPad for each sales representative
SOFTWARE
CRM License
Email / web collaboration licenses
Quote / Proposal Licenses, if applicable
Accounting Software

The approximate cost of the required hardware and software purchases ranges from $1,000 to $3,000 This cost is included in the category of "Computers and Related Peripherals" in the Item 7 chart

You do not have to enter into any ongoing maintenance or support agreements for the maintenance of your computer system, but you may find it advantageous to do so We may require you to enter into ongoing maintenance or support agreements for some of the required software We do not know the costs of any ongoing maintenance or support agreements The costs and terms of these agreements may vary greatly from vendor to vendor We may require you to periodically update and upgrade your computer hardware and software We cannot predict the cost or frequency of these required modifications of your computer hardware and software, however, we estimate that the costs of any updates will range from $500 to $800 per year Additionally, we may introduce new requirements or modify our specifications and requirements for computer systems and you will be required to make all upgrades and modifications at your expense There are no contractual limits on the frequency or costs of this obligation We have the right to independently access all information you collect or compile or that will be generated or stored on your computer system at any time without first notifying you, and there are no contractual limitations on our right to access the information (Sections 10 2 and 12 6)

E Methods Used to Select the Location of the Franchised Business

The franchised business must be operated from a suitable commercial location within your Metro Service Area We must approve the existing or potential site for the location of your franchise business You may be required to submit pictures, legal descriptions, or other such information for our consideration You are solely responsible for locating and obtaining a site that meets our standards and criteria (Sections 2 2 and 5 1) We generally do not own a franchisee's premises or lease premises to franchisees

The general site selection and evaluation criteria that we consider in approving your site includes the condition of the premises, available storage space for equipment and supplies, demographics of the surrounding area, proximity to other REPOWER by Solar Universe businesses, as well as proximity to competitive businesses, lease requirements and overall suitability We will provide you with written notice of our approval or disapproval within a reasonable time (usually 30 days) after receiving all requested information If you fail to select a site for the franchised business that meets with our approval within 90 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement (Sections 5 1 and 5 2)

F Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise will be 90 days Factors that may affect the time it takes to begin operations include the ability to secure licenses, permits and insurance, zoning and local ordinances, weather conditions and delays in installation of equipment and fixtures You must open your franchised business and be operational within 180 days after signing the Franchise Agreement (Sections 5 4 and 5 6)

G Training

We provide you an initial training program that covers material aspects of operating the franchised business This includes technical, business operations, and sales training The topics covered are listed in the chart below This training is offered on an as needed basis at our headquarters in Livermore, California, online, or at another location we designate You must designate a manager for the franchised business and he or she must complete the initial training to our satisfaction before the opening the franchised business One owner of the franchised business must also complete the initial training to our satisfaction before opening the franchised business The time frames provided in the chart below are an estimate of the time it will take to complete training We do not charge for initial training, however there may be additional fees required for training and certification required by governmental or other regulatory authorities You must pay for all travel costs and other expenses for yourself and any of your attendees These costs are estimated to be $500 to $6,000 You may be charged fees for additional training Our current fees for additional training are, per person, $695 for technical training and $295 for business operations training You are responsible for training your own employees and other management personnel This initial training is in addition to the on-site opening assistance we provide to you Your franchised business must at all times be under the day-to-day supervision of a designated manager who has satisfactorily completed our training program If you replace your trained designated manager, his or her replacement must complete their initial training with 60 days (Section 8)

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Technical Training	20	20	Our Corporate Headquarters in Livermore, California
Sales Training	0	24-40	Online
Business Operations Training	16-24	36-40	Onsite

Instructors

Technical training is conducted by instructors with specialized knowledge in the solar industry Technical training takes place at our corporate headquarters in Livermore, California The course lasts 5 days and includes a variety of hands-on installation exercises conducted on mock roofs Our primary technical instructor is Sean White Mr White has over 15 years of solar experience He is a licensed California Solar Contractor (C-46), a licensed California Electrical Contractor (C-10), a NABCEP Certified PV Installer, and an Adjunct Professor of Advanced Photovoltaic Systems at Diablo Valley College Mr White has been the lead instructor of our technical training course since July 2009

Sales and business operations training will be conducted and supervised by REPOWER by Solar Universe staff trainers who typically have between 2 and 10+ years of experience in the field in which they instruct, and generally have been employed with REPOWER by Solar Universe for more than one year We may add other persons to supervise or conduct initial training, and we may from time-to-time bring in guest or outside instructors There are no limits on our right to assign a substitute trainer to provide training We will not add anyone to conduct any training unless we are satisfied that he or she has sufficient experience and expertise with the subject matter

The training will include the following instructional materials the Technical Training Course Book, the Confidential Manuals, the Sales and Marketing Guide, and the Survey, Design and Install Guide The approximate total number of pages in the Confidential Manuals as of the date of this Disclosure Document is 137 The Table of Contents of the Confidential Manuals, along with number of pages devoted to each section, is included as **Exhibit F** to this Disclosure Document (Section 9 1)

Periodically, your designated manager may be required to attend refresher-training programs or seminars to be conducted at our headquarters in Livermore, California or another location we designate Your designated manager will not have to attend more than 1 of these programs in any calendar year and these programs will not exceed 2 days during any calendar year We may charge a fee for any such mandatory ongoing training You will be responsible for all travel costs, room and board and salary related to your manager's attendance at ongoing training (Section 8 4)

Project Financing Program

We partner with various finance providers to fund the construction of solar systems These finance providers require certain warranties, construction timelines and service level requirements Any franchisee that wishes to install a solar system that is funded by a finance provider must sign the corresponding sales and installation agreement for that finance provider An example of a sales and installation agreement is attached as **Exhibit H**, but note that the sales and installation for each finance provider will have minor differences, although the general terms of each sales and installation agreement will follow **Exhibit H** You are not required to use all or any of the finance providers that we partner with, however, we believe it would be difficult for you to be a successful franchisee if you do not use at least one finance provider Generally, to be successful, you will require access to financing providers

EPC Program

We partner with various sales originators who provide us with fully sold solar systems that require installation You are not required to accept any sales generated by these originators, however, if you do decide that you would like to install solar systems for originators, then you must sign a fulfillment agreement in the form of **Exhibit I** You should also know that originators may compete with you in sourcing customers in your Metro Service Area

ITEM 12
TERRITORY

As described below, you will be granted a territory in which to operate A Metro Service Area is not an exclusive territory, and as a result, you may face competition from other franchisees, from outlets that we operate or from other channels of distribution or competitive brands that we control

Franchise Agreement

The territory that you receive (called an "Metro Service Area" or "MSA") will be described and depicted in a map attached to the Franchise Agreement We determine the boundaries of the Metro Service Area based on a variety of factors, including population, median population age, zip codes, proximity to competitors, proximity to other franchisees and natural, physical or political boundaries

You may not solicit business or undertake installations within a different Metro Service Area from where your franchise is located, or in unassigned areas, without our prior approval and such activities shall be subject to the terms of the Franchise Agreement and the policies and rules stated in the Confidential Manuals You cannot advertise within another Metro Service Area or unassigned area unless we have created a cooperative advertising program for the region in which your REPOWER by Solar Universe business is located

You will operate the franchise from one location that we approve You must receive our written permission before relocating, and you must follow our site selection procedures when finding a new location We may charge you for any relocation assistance we may choose to provide to you If we cannot agree upon a new location within 90 days after your lease has expired or is terminated, we may terminate your Franchise Agreement If you attempt to sell your franchised business or transfer your interest from the franchised business to a third party, we may exercise our right of first refusal

You do not receive the right to acquire additional franchises within the Metro Service Area where your franchise is located or in a different Metro Service Area You must meet our qualifications for new franchisees to qualify for an additional franchise location

ITEM 13
TRADEMARKS

You receive the right to operate your business under the name, REPOWER by Solar Universe™, which is the primary Mark used to identify our System You may also use any other current or future Marks we may designate, including the logo on the front of this Disclosure Document and the service marks listed below By "Mark," we mean any trade name, trademark, service mark or logo used to identify your business We do not have a federal registration for our principal trademark Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses

We have registrations of the following Marks on the U S Patent and Trademark Office ("USPTO") Principal Register

Mark	Registration Number	Registration Date
Solar Universe (standard character mark)	3533649	November 18, 2008
SolarUniverse (words, letters, and/or numbers in stylized form)	3533695	November 18, 2008
Solar Universe Network (standard character mark)	3864893	October 19, 2010
SolarUniverse (words, letters, and/or numbers in stylized form)	4317719	April 9, 2013

We have filed all required affidavits

We have applied for registration of the following Marks on the Principal Register of the USPTO

Mark	Classes Filed	Application Serial Number	Application Filing Date
RE POWER BY SOLAR UNIVERSE	7	86595938	April 13, 2015
RE POWER BY SOLAR UNIVERSE	9	86595943	April 13, 2015
RE POWER BY SOLAR UNIVERSE	35	86595945	April 13, 2015
RE POWER BY SOLAR UNIVERSE	36	86595947	April 13, 2015
RE POWER BY SOLAR UNIVERSE	37	86595952	April 13, 2015
RE POWER BY SOLAR UNIVERSE	42	86595959	April 13, 2015
SMART POWER SMARTER HOME	35,36,37,42	86599853	April 16, 2015
RE POWER	36	87210306	October 20, 2016
RE POWER	37	87210311	October 20, 2016
RE POWER	42	87210322	October 20, 2016

Currently, we know of no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of any state, or of any court, pending infringement, opposition or cancellation, or pending material litigation involving the Marks There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise

We know of no infringing or prior superior uses that could materially affect the use of the Marks in which the franchised businesses are to be located

You do not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your franchised business You must follow our rules when you use the Marks You must use the Marks as the sole trade identification of the franchised business You cannot use a name or Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing You must obtain a fictitious or assumed name registration if required by your state or local law Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement You must not assist any other person in contesting the validity or ownership of the Marks

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense We will take the action we think appropriate in these situations We have the right to control the defense and settlement of any proceeding We also have exclusive control over any settlement concerning any Mark You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks

We are not required to defend you against a claim arising from your use of our Marks We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark We will not reimburse you for disputes where we challenge your use of a Mark

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised business for the new or modified Marks We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark

You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is the same or confusingly similar to any of our Marks

You must obtain our prior written approval before using any blogs, social networks (such as "Facebook"), professional networks (such as "LinkedIn"), live blogging tools (such as "Twitter"), or other social networking media tools that in any way reference or involve the Marks or your franchised business ("Social Media") We may revoke our approval of your use of Social Media at any time if you fail to comply with our standards and procedures

You may not advertise on the internet using, or establish, create or operate an internet site or website using any domain name containing, the words "Solar Universe," "REPOWER by Solar Universe" or any variation of "Solar Universe" without our prior written consent

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise We own copyrights in the Confidential Manuals, our website, our marketing materials and other copyrightable items that are part of the System While we claim copyrights in these and similar items, we have not registered these copyrights with the United

States Copyright Office You may use these items only as we specify while operating the franchised business and you must stop using them if we direct you to do so

We know of no effective determinations of the United States Patent and Trademark Office, United States Copyright Office or any court regarding any of our copyrighted materials Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use

We have developed certain confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Solar Universe business We will provide confidential information to you during training, in the Confidential Manuals and as a result of the assistance we furnish you during the term of the franchise You may only use confidential information for the purpose of operating your franchised business You may only divulge confidential information to employees who must have access to it to operate the franchised business You are responsible for enforcing the confidentiality provisions as to your employees

We may require certain individuals with access to confidential information, including your shareholders, officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff to sign individual nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement as Exhibit 2 We will be a third-party beneficiary with the right to enforce those agreements

All ideas, concepts, techniques or materials concerning the franchised business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System You must also assist us in obtaining intellectual property rights in any concept or development if requested

During the term of your Franchise Agreement, we will loan you a copy of our Confidential Manuals We may provide you with additional materials that may be in written or electronic form We may modify the contents of the Confidential Manuals You must ensure that the version of the Confidential Manuals to which you refer is the most current version If there is a dispute as to the contents of the Confidential Manuals, the terms of the master copies, which will be maintained by us at our headquarters, will be controlling The Confidential Manuals will remain our sole property, and must be returned to us upon expiration or termination of the Franchise Agreement

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

The franchised business must always be under the direct, full-time, day-to-day supervision of a Designated Manager If you are an individual, we may require you to be the Designated Manager of the franchise If we require you to be the Designated Manager, you must request our consent to select another individual to replace you as the Designated Manager If you are a corporation or other business entity, you will select a Designated Manager for the franchise and we may require that the individual you select is at least a fifteen percent (15%) equity owner of the franchise The Designated Manager must attend and satisfactorily complete our initial training program before opening the franchised business You must keep us informed at all times of the identity of your Designated Manager If you must replace the Designated Manager, your replacement must attend and satisfactorily complete our initial training program If you are a corporation or other business entity, the franchised business must be under the supervision of the individual owners and those owners must devote their best efforts to the development and operation of the franchised business

Certain individuals associated with your franchised business, including your owners, officers, directors, partners, and your managers, executives, employees and staff may be required to sign individual nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement We will be a third-party beneficiary with the independent right to enforce the agreements

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement as Exhibit 3

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services and products we specify, which is the selling and installing of all types of solar systems, renewable energy products and energy consulting You may not sell any products or services that we have not authorized and you must discontinue offering any products or services that we may disapprove We may take action, including terminating your Franchise Agreement, if you purchase or sell unapproved products or make purchases from unapproved suppliers We may periodically change required or authorized products or services

Periodically, we may allow certain products or services that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a Length of franchise term	Section 4 1 of Franchise Agreement ("FA"),	The initial term is 5 years
b Renewal or extension of the term	Section 4 2 of FA	You have the right to obtain a successor franchise by entering into our then-current franchise agreement with us This means that you may be asked to enter an agreement with terms and conditions that are materially different than your original agreement If you fail to meet any one of the conditions in (c) below, we may refuse to allow you to obtain a successor franchise
c Requirements for franchisee to renew or extend	Section 4 2 of FA	You may renew by entering the then current Franchise Agreement if you have fully complied with the provisions of the Franchise Agreement, the right to maintain possession of the approved location or an approved substitute location for the term of the renewal, made capital expenditures as necessary to maintain uniformity with the System, satisfied all monetary obligations owed to us, our affiliates, your suppliers and other creditors, not defaulted under any provision of the Franchise Agreement or any other agreement with us, given timely written notice of your intent to renew, signed a then-current Franchise Agreement, the terms of which may differ substantially, complied with the then-current qualifications for a new franchisee and with the then-current training requirements, and sign a general release
d Termination by franchisee	None	Not applicable
e Termination by franchisor without cause	None	Not applicable
f Termination by franchisor with cause	Section 16 1 of FA	We may terminate the Franchise Agreement only if you are in default If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate

Provision	Section in Franchise or Other Agreement	Summary
g "Cause" defined-curable defaults	Section 16 1 of FA,	Cause means you have defaulted or otherwise breached the terms of the Franchise Agreement or Confidential Manual or other agreement between us If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default If the default relates to other breaches, you can avoid termination by curing the default within a reasonable time (not to exceed 30 days) after notice from us If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate
h "Cause" defined-non-curable defaults	Section 16 1 of FA	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you (or if an entity, any of your officers, shareholders, members, or general partners) (i) have misrepresented or omitted material facts in its application or other materials provided to us prior to entering into the Franchise Agreement, (ii) fail to complete satisfactorily any required training, (iii) become bankrupt, insolvent or otherwise are unable to pay your debts as they become due, or make an assignment for benefit of creditors, have custodian appointed, have assets of the franchised business seized, taken over or foreclosed upon (under the U S Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing) , (iv) abandon the franchised business by failing to actively operate the for 5 consecutive days, or cease to communicate with us (v) you (or if any entity, any of your officers, shareholders, members, or general partners) are held liable for, is convicted of, or pleads guilty or no contest to a charge of violating a law relevant to your franchised business, (vi) commit a violation for the third time of any provision of the Franchise Agreement (whether or not the same material provision each time) within any 12-month period, for which first two (2) violations we has given you written notices of default, (vii) allow a judgment against you in the amount of more than $25,000 to remain unsatisfied for a period of more than 30 days (unless an appeal has been filed and is in process), (viii) breach or fail to comply with the provisions of Sections 7 1 or 7 3 of the Franchise Agreement, or improperly uses any of the Marks in violation of Section 6 1

Provision	Section in Franchise or Other Agreement	Summary
		or 6 2 of the Franchise Agreement, (ix) make or attempt to make any assignment without our prior written consent or as otherwise provided for in the Franchise Agreement, (x) fail to secure any license required to be obtained, or such license is suspended or terminated, or you otherwise fail to have your employees obtain (or you fail to engage contractors who have obtained) all necessary licenses and certifications required by law for individuals performing solar installation services, (xi) apply or divert customer funds in a manner inconsistent with state and local laws, (xii) fail to select a site for the franchised business that meets with our approval within 90 days after effective date of Franchise Agreement, develop location and/or vehicle within 120 days or fail to commence operations within 180 days, (xiii) fail to accurately report sales, project information or customer data as required by the Franchise Agreement, and (xiv) allow your franchised business to be ordered closed by any governmental agency responsible for enforcing health and safety regulations
i Franchisee's obligations on termination/non-renewal	Section 17 1 of FA	If the Franchise Agreement is terminated or not renewed, you must (i) stop operating the franchised business, (ii) stop using confidential information, the System and the Marks, (iii) if requested, assign your interest in the franchise location to us, (iv) cancel or assign to us any assumed names, (v) pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement, (vi) return the Confidential Manuals and all other confidential information, (vii) assign your telephone numbers to us, (viii) comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement
j Assignment of contract by franchisor	Section 18 1 of FA	There are no restrictions on our right to assign our interest in the Franchise Agreement
k "Transfer" by franchisee-definition	Section 18 2 of FA	"Transfer" includes transfer of (i) any assets or any part or all of the ownership interest in you, (ii) any interest in the Franchise Agreement or the franchise granted by the Franchise Agreement, (iii) any interest in your approved location, or (iv) your franchised business's assets

Provision	Section in Franchise or Other Agreement	Summary
l Franchisor's approval of transfer by franchisee	Section 18 2 of FA	You may not transfer your interest in any of the items listed in (k) above without our prior written consent
m Conditions for franchisor approval of transfer	Section 18 2 of FA	We will consent to a transfer if (i) we have not exercised our right of first refusal, (ii) all obligations owed to us or our affiliates are paid, (iii) you and the transferee have signed a general release, (iv) the prospective transferee meets our business and financial standards, (v) the transferee and all persons owning any interest in the transferee sign the then-current form of Franchise Agreement, (vi) you provide us with a copy of all contracts, agreements, and related documentation (including financial documentation) related to the transfer, (vii) you or the transferee pay a transfer fee of $10,000, (viii) the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement by executing a personal guaranty, (ix) you have agreed to guarantee performance by the transferee, if requested by us, (x) the transferee has obtained all necessary consents and approvals of third parties, (xi) you or all of your equity owners have signed an individual non-disclosure and non-competition agreements, and (xi) the transferee has agreed that its designated manager will complete the initial training program before assuming management of the franchised business (if a transfer of the Franchise Agreement) If you are transferring your interest to a "controlled entity" formed for financial planning, tax or other convenience, (i) the entity must be newly organized, (ii) you or all equity holders must own all of the equity and voting power of the outstanding stock, (iii) all obligations to us are fully satisfied, provision of corporate formation documentation to us, (iv) certain endorsements must appear on stock certificates
n Franchisor's right of first refusal to acquire your franchisee's business	Section 19 of FA	We may match an offer for your franchised or development business or an ownership interest you propose to sell

Provision	Section in Franchise or Other Agreement	Summary
o Franchisor's option to purchase franchisee's franchised business	Sections 17 4 and 2 9 3 of FA	During the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the franchised business for fair market value
p Death or disability of franchisee	Section 18 6 of FA	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate the Franchise Agreement We have the right to assume operation of the franchised business until the deceased or incapacitated owner's interest is transferred to a third party approved by us We may charge a management fee if we assume operation of your franchised business
q Non-competition covenants during the term of the franchise	Section 7 3 of FA	You, your owners and your officers, directors, executives, managers, professional staff and employees are prohibited from (i) diverting or attempting to divert any business or customer of the franchised business to a competitive business or causing injury or prejudice to the Marks or the System, (ii) disclosing confidential information to a competitive business, or (iii) owning or working for a competitive business
r Non-competition covenants after the franchise is terminated or expires	Section 17 2 of FA	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners and your officers, directors, executives, managers or professional staff are prohibited from (i) owning or working for a competitive business located (a) at your franchise location, (b) within a 25 mile radius of your franchise location or within Metro Service Area (whichever is greater), or (c) within 25 miles of any other then existing Solar Universe business
s Modification of the agreement	Sections 9 2, 22 5, and 22 6 of FA	The Franchise Agreement can be modified only by written agreement between you and us FA We may modify the Confidential Manuals without your consent
t Integration/ merger clause	Section 22 5 of FA	Only the terms of the Franchise Agreement are binding (subject to federal and applicable state law) Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable

Provision	Section in Franchise or Other Agreement	Summary
u Dispute resolution by arbitration or mediation	Section 23 1, 23 2, 23 3 and 23 4 of FA	All disputes are subject to mediation and arbitration except for claims relating to an alleged violation of the Lanham Act, or the misuse or unauthorized use of any trademark or service mark, and actions commenced by any party that seeks only a temporary restraining order, preliminary injunction, or other interlocutory remedy to protect any party from incurring or sustaining irreparable injury or harm pending the outcome of any claim subject to mediation and arbitration
v Choice of forum	Section 23 9 of FA	Subject to state law (see Exhibit C), Alameda County, California, unless we are later headquartered in another city or county, in which event the exclusive venue for any such proceedings shall be in such other city or county
w Choice of law	Section 23 10 of FA	California law, except, however, if Franchisee is located in a state other than California, then all disputes pertaining to or relating to the legality, construction, or enforcement of any covenant against competition will be resolved under the law of the state in which the Franchisee is located (see Exhibit C) Also any California franchise statue or regulation shall not apply if Franchisee is located in a state other than California

ITEM 18
PUBLIC FIGURES

We do not presently use any public figures to promote our franchise

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Average Gross Sales

We have included below certain gross sales information "Gross sales" means all revenue from the franchised business, exclusive of any state sales tax The gross sales information provided below was compiled from data for 26 of our 36 franchisees that operated their franchised businesses during the entire 12-month period covered in 2016 and reported sales Three of these 36 franchises consist of two locations owned by the same franchisee, and the data for the two locations was combined, with the length of operation being from when the older of the two locations opened The 23 reporting franchisees have been operating, on average, for 4 3 years (ranging from 1 1 years to 7 9 years)

The franchisees that reported the data which we used to prepare the average gross sales figures reported below operated in five states California (14), New York (4), Massachusetts (2), Arizona (2) and one each in Pennsylvania

Average Gross Sales for Solar Universe Franchisees
(For the Twelve Months Ending December 31, 2016)

Solar Universe Franchisees operating for the full 12-month period	Total Franchisees	Average Gross Sales	% and Number of Franchisees at or above Average	Median Gross Sales	% and Number of Franchisees at or above Median
All Franchisees operating for the full 12 month period or longer	23	$1,902,971	34% (8)	$713,283	52% (12)
Top, middle and bottom third of Franchisees operating for the full 12-month period or longer					
Top 1/3 of Franchisees	7	$4,893,677	28% (2)	$3,038,184	57% (4)
Middle 1/3 of Franchisees	8	$975,727	25% (2)	$735,043	50% (4)
Bottom 1/3 of Franchisees	8	$213,349	50% (4)	$150,889	50% (4)

There is no assurance that any other Solar Universe franchised business will perform as well as, or anywhere near as well as, the 23 franchised businesses used in preparing the averages shown above Some franchises have earned this amount Your individual results may vary There is no assurance you'll earn as much

The gross sales figures above do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain net income or profit

You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business, including consultation with your own attorney, accountant or other advisors Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information

Average Customer Sale and Average Gross Margin

From the sales data reported by the same 23 franchises described above, we have calculated the following Average Customer Sale and Average Gross Margin information for 2016 from 1,150 total Customer Sales

Average Customer Sale and Average Gross Margin for Solar Universe Franchisee Projects (For the Twelve Months Ending December 31, 2016)

		Range	% and Number of Projects at or Above Average/Median
Average Customer Sale	$39,017	$2,000 to $3,972,000	19% (218)
Median Customer Sale	$26,718		50% (575)
Average Gross Margin per Customer Sale	18 0%	0% to 42%	51% (592)
Median Gross Margin per Customer Sale	18 3%		50% (576)

As used above, a "Customer Sale" means a single, discrete project that has been submitted by a franchisee to us for internal processing through our proprietary system that enables a seamless and integrated provision from lead to prospect to proposal to closing To calculate the "Gross Margin" figures above, first we deducted direct costs associated with the installation, including solar equipment, labor, sales commission and permitting fees from the reported amount of the Customer Sale We then divided this adjusted amount into the original reported amount of the Customer Sale to determine the Gross Margin In calculating the Gross Margin of a Customer Sale, we did not deduct indirect costs or expenses that you may expect to incur in the operation of your franchised business, such as marketing expenses, depreciation, insurance or other miscellaneous operating expenses such as office, telephone, accounting, uniforms and supplies expenses

* * *

The revenues received and expenses incurred will vary among our franchisees In particular, the revenues and expenses of your franchise will be directly affected by factors which include the size of the territory in which the franchised business operates, the geographic location of the territories in which the franchised business operates, local and national economic conditions, government and utility incentives (including state rebate incentive programs for solar businesses), competition in the market, the quality of management, salespersons, and servicepersons of the franchised business, contractual relationships with lessors and vendors, legal, accounting and other professional service fees, federal, state and local income taxes, gross profits taxes or other taxes, discretionary expenditures, accounting methods used, certain benefits and economies of scale which may be derived as a result of operating multiple franchises, and the fees payable to us

That data used to prepare the figures above was supplied to us by franchisees The figures above have not been audited, nor have we sought independently to verify their accuracy Prospective franchisees and sellers of franchises should note that no certified public accountant has reviewed or audited these figures or expressed his or her opinion concerning their content or form You should conduct an independent investigation of the costs and expenses you will incur in operating a Solar Universe franchise

These reported results are average historical results and are not intended to represent the actual or probable results that will be realized by any particular franchisee now or in the future We do not represent that any franchisee can expect to attain the gross sales, customer sales, or gross margin results presented above, or any other particular level or range of sales, costs and expenses, or income or operating profits We do not represent that you will derive income from your franchised business that exceeds your initial payment for or investment in your franchised business, or that your revenues will exceed your expenses

We will provide written substantiation of the data we used to prepare this financial performance representation at our office or another Solar Universe-related location we designate upon your reasonable request Except for the above information, we do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income, profits or earnings of a Solar Universe franchise

Other than the preceding financial performance representation, we do not make any financial performance representations We also do not authorize our employees or representatives to make any other representations either orally or in writing If you are purchasing an existing location, however, we may provide you with the actual records of that location If you receive any other financial performance information or projections of your future income other than as we provide above, you should report it to the franchisor's management by contacting Stephen M Schmidt, General Counsel, at 1152 Stealth Street, Livermore, CA 94551 or (925) 455-4700, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2014 TO 2016				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2014	47	39	-8
	2015	39	42	+3
	2016	42	54	+12
Company-Owned*	2014	1	1	0
	2015	1	1	0
	2016	1	0	-1
Total Outlets	2014	48	40	-8
	2015	40	43	+3
	2016	43	54	+11

* Outlet was owned and operated by an affiliate, Sun Network Sacramento, Inc

Table No 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2014 TO 2016		
State	**Year**	**Number of Transfers**
California	2014	0
	2015	0
	2016	1
Total	2014	0
	2015	0
	2016	1

Table No 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2014 TO 2016								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Terminations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations – Other Reasons**	**Outlets at End of the Year**
Arizona	2014	3	0	1	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
California	2014	27	2	6	0	0	1	22
	2015	22	1	1	0	1	0	21
	2016	21	7	2	1	0	1	24
Colorado	2014	1	0	0	0	0	1	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Connecticut	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Hawaii	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Illinois	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Louisiana	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Maryland	2014	3	0	1	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	0	1	0	0	2
Massachusetts	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Nevada	2014	1	1	0	0	0	0	2
	2015	2	0	1	0	0	0	1
	2016	1	0	0	0	0	0	1
New Jersey	2014	2	1	1	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	4	0	0	0	0	6

STATUS OF FRANCHISE OUTLETS FOR YEARS 2014 TO 2016								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Terminations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations – Other Reasons**	**Outlets at End of the Year**
New Mexico	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New York	2014	2	2	1	0	0	0	3
	2015	3	2	0	0	0	0	5
	2016	5	5	0	0	0	0	10
Oregon	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	1	0	0	0
Pennsylvania	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Puerto Rico	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Texas	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Total	2014	47	6	12	0	0	2	39
	2015	39	6	2	0	1	0	42
	2016	42	18	2	3	0	1	54

Table No 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2014 TO 2016							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
California	2014	1	0	0	0	0	1
	2015	1	0	1	1	0	1
	2016	1	0	0	1	0	0
Total	2014	1	0	0	0	0	1
	2015	1	0	1	1	0	1
	2016	1	0	0	1	0	0

Table No 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2016			
State	**Franchise Agreements Signed But Outlets Not Yet Opened**	**Projected New Franchised Outlets In The Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
California	0	9	0
New York	0	6	0
Other States	0	24	0
Total	0	39	0

The names, addresses, and telephone numbers of our franchisees at December 31, 2016 (unless a more current date is disclosed on the list) are in **Exhibit D** to this Disclosure Document

The name, city, state and last known telephone number of every franchisee who has had an agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the year ended December 31, 2016 (or through a more current date if disclosed on the list), or who has not communicated with us within ten weeks of the date of this Disclosure Document are in **Exhibit D** to this Disclosure Document

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you

We do not know of any trademark-specific franchisee organization associated with the franchise system being offered No independent franchisee organization has asked to be included in this Disclosure Document

ITEM 21
FINANCIAL STATEMENTS

Our audited financial statements for our fiscal years ended December 31, 2016, December 31, 2015, and December 31, 2014, are in **Exhibit G** to this Disclosure Document

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document in the following order

Exhibit A	Franchise Agreement with attachments, including
	Exhibit 1 Form of General Release
	Exhibit 2 Nondisclosure and Non-Competition Agreement
	Exhibit 3 Unlimited Guaranty and Assumption of Obligations
	Exhibit 5 Supply Agreement, with Unconditional Personal Guaranty
Exhibit B	Franchisee Disclosure Questionnaire and Certification
Exhibit C	State-Specific Addenda
Exhibit H	Form of Sales and Installation Agreement
Exhibit I	Form of Fulfillment Agreement

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document included as **Exhibit J** are identical pages acknowledging receipt of this entire document (including exhibits) Please sign and return to us one copy, please keep the other copy along with this Disclosure Document

EXHIBIT A TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT
(with Exhibits)

SOLAR UNIVERSE, INC

FRANCHISE AGREEMENT

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EXHIBITS

SOLAR UNIVERSE, INC

FRANCHISE AGREEMENT

This Franchise Agreement made this ___ day of ____________, 20___ (the "**Effective Date**"), is by and between Solar Universe, Inc , a Delaware corporation, having its principal place of business at 1152 Stealth Street, Livermore, California 94551 ("**Franchisor**"), and ____________________________

____

______, an [individual/partnership/corporation/limited liability company] established in the State of ____ __________________ and whose principal address is ______________________________________ ______________________________________ ("**Franchisee**")

WITNESSETH:

WHEREAS, Franchisor* has developed, and is developing, a System identified by the service marks "REPOWER by Solar Universe" and "Solar Universe®" and relating to establishing and operating a business providing solar installations, renewable energy products, and energy consulting, referred to as "Solar Universe Businesses" or "REPOWER Businesses" in this Agreement, and

WHEREAS, in addition to the service mark "Solar Universe®," "REPOWER by Solar Universe," and certain other Marks, the distinguishing characteristics of the System include standards and procedures for efficient business operations, procedures and strategies for marketing, advertising and promotion, customer service and development techniques, financing products, other strategies, techniques and other Confidential Information, and the Confidential Manuals, and

WHEREAS, Franchisor grants to persons and business entities the right to own and operate a REPOWER Business using the System and the Marks, and

WHEREAS, Franchisee desires to operate a REPOWER Business, has applied for the Franchise and has been approved by Franchisor in reliance upon the representations made by Franchisee herein and in the application, and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, operations, and service and the necessity of operating the Franchised Business in strict conformity with Franchisor's System

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows

1 DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings

"**Affiliate(s)**" means any person, company, or other entity which controls, is controlled by or is under common control with another person, company or entity,

*Capitalized terms not otherwise defined are defined in Section 1

"**Agreement**" means this "Solar Universe, Inc Franchise Agreement" and all Exhibits hereto,

"**Approved Location**" means the site for the operation of the Franchised Business selected by Franchisee and approved in writing by Franchisor from which Franchisee manages and administers the Franchised Business and maintains the books and records of the Franchised Business,

"**Approved Supplier(s)**" has the meaning given to such term in Section 13 1,

"**Area Marketing Program**" has the meaning given to such term in Section 2 8 5,

"**Centralized Lead Generation Services**" has the meaning given to such term in Section 2 8 4,

"**Competitive Business**" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) the following products or services (a) sale and/or installation of solar equipment, (b) energy consulting, (c) home automation solutions, or (d) provision of other products and services that are the same or similar to those provided by REPOWER Businesses, provided, however, that the term "Competitive Business" shall not apply to (i) any business operated under a franchise or license agreement with Franchisor, (ii) any business owned or operated by Franchisor or an Affiliate of Franchisor, or (iii) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest,

"**Confidential Information**" means all business, technical and non-technical data and information disclosed directly or indirectly in writing, orally, or by inspection of facilities or tangible objects (including but not limited to, data and information pertaining to or regarding business plans, operations, products, pricing, marketing, financing, funding, costs, sales, strategies, contracts, suppliers, equipment, actual or potential customers, partners, employees, know-how, training, trade secrets, methods, techniques, processes, passwords, technology, computer programs (functionality and code), and software, as well as other non-public information obtained from third parties which Franchisor treats as confidential), that may be used in or related to REPOWER Businesses, including, without limitation, information identified or labeled as confidential or proprietary by Franchisor, its Affiliates or employees Confidential Information shall not include, however, any information that Franchisee can establish by written record (a) is now or subsequently becomes generally available to the public through no fault of Franchisee (provided that if Confidential Information becomes publicly known, it shall not excuse a prior breach), (b) was rightfully received from a third party who had the right, without obligation of nondisclosure or confidentiality, to transfer or disclose the information, (c) was independently developed without the use of or reference to any Confidential Information, or (d) was already in the possession of Franchisee without obligation of nondisclosure or confidentiality at or before the time of disclosure by Franchisor,

"**Confidential Manuals**" means collectively the (a) Solar Universe Confidential Operations Manual, (b) Survey Design and Installation Guide, and (c) Sales and Marketing Guide, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, rules, policies, methods, procedures, and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor, "**Cooperative Advertising**" means the combined advertising program of two (2) or more franchisees established within a common market that Franchisor may require for REPOWER Businesses within a particular region,

"**Designated Manager**" means the individual designated by Franchisee as having primary responsibility for managing the day-to-day affairs of the Franchised Business If Franchisee is a legal business entity (such as a corporation, limited liability company or other legal business entity), Franchisor may, in its sole discretion, require that the Designated Manager is an individual holder of a legal interest in Franchisee who has at least fifteen percent (15%) of the equity in Franchisee, and if Franchisee is an individual and not a business entity, Franchisor may, in its sole discretion, require that the Designated Manager is Franchisee Franchisor shall have the right, in its sole discretion, to approve the Designated Manager and any replacement Designated Manager of the Franchised Business,

"**Effective Date**" means the date of this Agreement, as designated above,

"**Electronic Depository Transfer Account**" means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw any funds due Franchisor,

"**Fees**" has the meaning given to such term in Section 3 5,

"**Franchise**" means the right granted to Franchisee by Franchisor to use the System and the Marks,

"**Franchise Fee**" has the meaning given to such term in Section 3 1,

"**Franchised Business**" means the Solar Universe Business to be established and operated by Franchisee pursuant to this Agreement,

"**Franchisee**" means the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement,

"**Franchisor**" means Solar Universe, Inc ,

"**Franchisor Indemnitees**" has the meaning given to such term in Section 21 3,

"**Generally Accepted Accounting Principles**" or "**GAAP**" means the standards, conventions and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements,

"**Gross Sales**" means the aggregate of all revenue from the sale of products and services from all sources in connection with the Franchised Business, whether for check, cash, credit or otherwise including, without limitation, all proceeds from any business interruption insurance, but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, (c) the value of any allowance issued or granted to any customer of the Franchised Business that is credited by Franchisee in full or partial satisfaction of the price of any products and services offered in connection with the Franchised Business, and (d) any rebate received by Franchisee from a manufacturer or supplier,

"**Gross Sales Reports**" has the meaning given to such term in Section 12 2,

"**Incapacity**" means the inability of Franchisee, or any holder of a legal or beneficial interest in Franchisee, to operate or oversee the operation of the Franchised Business for at least six (6) consecutive months because of any continuing physical, mental or emotional condition, chemical dependency or other limitation, and from which condition recovery within six (6) consecutive months from the date of determination of Incapacity is unlikely Incapacity shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall be deemed to meet the definition of Incapacity for the purposes of Section 18 6 as of the date of refusal Franchisee shall pay the cost of the required examination,

"**Initial Marketing Kit**" has the meaning given to such term in Section 11 1

"**Initial Training Program**" has the meaning given to such term in Section 8 1,

"**Internet**" means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web,

"**Large Scale Project**" means any project with a capacity of 100 kW or greater, or any project which has a contract value of three hundred fifty thousand dollars ($350,000) or more,

"**Local Advertising**" has the meaning given to such term in Section 11 2,

"**Marketing Fund**" has the meaning given to such term in Section 11 3,

"**Marketing Fund Contribution**" has the meaning given to such term in Section 11 3,

"**Marks**" means the service mark "Solar Universe®," "REPOWER by Solar Universe™" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used in connection with Solar Universe Businesses,

"**Metro Service Area**" has the meaning given to such term in Section 2 5,

"**Royalty Fee**" has the meaning given to such term in Section 3 2,

"**Sales Targets**" means the total Gross Sales, as invoiced by Franchisee to customers, in the calendar month as more specifically described in Section 2 9,

"**Solar Universe Businesses**" or "**REPOWER Businesses**" means businesses under the System that offer and provide energy consulting, alternative energy products, and the sale and installation of all types of solar systems, regardless of the type of solar technology employed, customer sector/industry, size of the installation, or the mechanism used to fund the installation, "**Successor Term Fee**" shall have the meanıng gıven that term ın Sectıon 4 2 9,

"**SUN Package**" has the meanıng gıven that term ın Sectıon 13 1, and

"**System**" means the unıform standards, methods, procedures and specıfications developed by Franchısor and whıch may be added to, changed, modıfied, wıthdrawn or otherwıse revısed by Franchısor for the operatıon of Solar Unıverse Busınesses

2 GRANT OF FRANCHISE, APPROVED LOCATION

2 1 Grant

Franchısor hereby grants to Franchısee the rıght, and Franchısee undertakes and accepts the oblıgatıon, to operate one (1) REPOWER Busıness usıng the System and Marks under the terms and condıtıons of thıs Agreement

2 2 Approved Locatıon

2 2 1 The Franchısed Busıness must be operated from a suıtable commercıal locatıon (the "**Approved Locatıon**") wıthın Franchısee's Metro Servıce Area, and must be approved by Fränchısor, subject to Franchısor's requırements as further descrıbed ın Sectıon 5 of thıs Agreement, or as the Franchısor may set forth ın the Confidentıal Manuals from tıme to tıme

2 2 2 The street address (or detaıled descrıptıon of the premıses) of the Approved Locatıon for the Franchısed Busıness ıs

____

2 3 Approved Locatıon Not Determıned

If Franchısee has not yet found a suıtable sıte to use as the Approved Locatıon when thıs Agreement ıs sıgned, Franchısee shall acquıre, lease or sublease a sıte for the Franchısed Busıness, subject to Franchısor's acceptance, wıthın nınety (90) days of the Effectıve Date, pursuant to Sectıons 5 1 and 5 2, below

2 4 Sub-franchısıng/Agents

Franchısee shall not sublıcense the use of the System or Marks to any person or entıty Except as may be permıtted pursuant to Sectıon 18, Franchısee shall not grant any person or entıty the rıght to perform any part of Franchısee's rıghts or oblıgatıons lıcensed hereunder

2 5 Metro Servıce Area

Franchısee shall receıve a non-exclusıve terrıtory called the Metro Servıce Area, whıch has been mutually agreed upon, and ıs ıdentıfied by specıfic zıp codes as depıcted ın the map attached hereto as Exhıbıt 6 Franchısee wıll operate the Franchısed Busıness wıthın the Metro Servıce Area, and shall lımıt all dırect marketıng, advertısıng, ınstallatıons (except wıth prıor wrıtten approval of Franchısor) and other Franchısed Busıness actıvıtıes wıthın such area, as further descrıbed ın Sectıon 2 8 Franchısee's rıghts ın the Metro Service Area, as applicable, are subject to Franchisor's rights as set forth in this Agreement, including without limitation, in Section 2 7

2.6 Large Scale Projects

Franchisor retains certain rights with regard to the sale and installation of Large Scale Projects as further described in Section 2 7 6, below Franchisee may not sell or undertake installation of a Large Scale Project without the prior written approval of Franchisor When Franchisor obtains Large Scale Projects, we will make reasonable efforts to use Franchisee for the installation of Large Scale Projects within its Metro Service Area, as applicable, if, in Franchisor's sole discretion, Franchisee has the proper financial and operational capabilities to perform such work without disrupting its other core business activities, and it can otherwise meet the relevant project requirements, including but not limited to, insurance, experience, and bonding capability

2 7 Franchisor's Rights

Except to the extent provided in Section 2 5, Franchisor retains all of its rights and discretion with respect to the System and Marks, including the right

2 7 1 to establish, own or operate, and license others to establish, own or operate, a Solar Universe Business inside or outside of the Metro Service Area, as Franchisor deems appropriate,

2 7 2 to establish, and license others to establish, other businesses under other systems using other proprietary marks at such locations inside or outside of the Metro Service Area and on such terms and conditions as Franchisor deems appropriate,

2 7 3 to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses similar to the Franchised Business, some or all of which may be located anywhere, including within the Metro Service Area If such acquired business is identical or similar to the Franchised Business, Franchisor may, in its sole discretion (a) operate, franchise, license or allow such business to continue operating under its existing marks, (b) offer to sell such businesses to Franchisee or others at the business's fair market value and to be operated as a franchised REPOWER Business, or (c) convert such businesses to REPOWER Businesses, as company-owned, Affiliate-owned, franchised or licensed businesses,

2 7 4 to be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Metro Service Area,

2 7 5 to sell the products and services authorized for REPOWER Businesses using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution, such as joint marketing with partner companies, direct mail, catalog sales, co-branding strategies, Internet sites, direct sales to customers in person or through the Solar Universe Internet Site, inside or outside of the Metro Service Area, pursuant to such terms and conditions as Franchisor deems appropriate,

2 7 6 to sell and install Large Scale Projects, or award the rights to sell and install, Large Scale Projects to Franchisee or another party which may include a different Solar Universe franchisee,

Franchisor or an Affiliate of Franchisor, regardless of whether such project is located inside or outside of the Metro Service Area,

2 7 7 to identify new products or services authorized to be offered and sold by REPOWER Businesses, or by independent third parties that are not part of the Solar Universe system,

2 7 8 to offer or provide, or authorize others to offer or provide, solar installation financing products or services on an exclusive or non-exclusive basis to REPOWER Businesses and the customers of REPOWER Businesses, including for example and without limitation, power purchase agreements, leases, home equity lines of credit, home refinancing, same-as-cash, and other similar financial products or services,

2 7 9 to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute Marks, trade names, trademarks, service marks or other commercial symbols, and

2 7 10 to engage in any activities not expressly forbidden by this Agreement

2 8 <u>Marketing and Solicitation Restrictions, Centralized Lead Generation Services</u>

2 8 1 As described in Section 2 5 above, Franchisee shall limit all direct marketing and solicitation efforts to within Franchisee's Metro Service Area Except as part of Cooperative Advertising implemented pursuant to Section 11 4, Franchisee shall not advertise in any media whose primary circulation (as reasonably determined by Franchisor) is within a different metro service area Franchisee agrees to cooperate with Franchisor's efforts to enforce these restrictions with regard to Franchisee and any other Solar Universe Businesses Franchisor shall have discretion as to such enforcement and under no circumstances shall Franchisor be required to engage in litigation or similar actions with regard to these restrictions

2 8 2 Franchisee shall not solicit business or undertake installations outside of your assigned Metro Service Area, without Franchisor's prior written approval, and such activities shall be subject to the terms of this Agreement and the policies and rules stated in the Confidential Manuals

2 8 3 Franchisee shall comply with all mandatory marketing programs that Franchisor may establish and with all marketing policies and procedures that Franchisor establishes in the Confidential Manuals or otherwise in writing

2 8 4 Franchisor has developed a centralized system for the generation and distribution of sales leads to its franchisees (**"Centralized Lead Generation Services"**) Centralized Lead Generations Services include, for example, creating marketing collateral, placing advertisements, engaging marketing agencies, engaging third party lead generation companies, developing advertising and marketing campaigns, and a centralized call center to field customer inquiries, make outgoing calls to potential customers, schedule site surveys, and provide customers with online job quotes and proposals Franchisor reserves the right to charge Franchisee commercially reasonable fees for its Centralized Lead Generation Services if offered in Franchisee's Metro Service Area Franchisee may decide not to participate in Centralized Lead Generation Services by providing Franchisor with 90 days' notice of termination of participation

2 8 5 Franchisor may, but is not required to, organize and administer marketing programs and initiatives applicable within the Metro Service Area (**"Area Marketing Programs"**) If offered in Franchisee's Metro Service Area, Franchisee will have the option of participating in the applicable Area Marketing Program on a voluntary basis Area Marketing Program terms and conditions will be described in writing and will include, at minimum, a description of the applicable marketing activities to be undertaken, any specific responsibilities of Franchisee and Franchisor, duration of the program, and the applicable fees If Franchisee elects to participate in an Area Marketing Program, Franchisee must comply with all Area Marketing Program terms and conditions, and any material violation of such terms or conditions will be deemed to be a breach of this Agreement Area Marketing Programs and applicable terms may vary from place to place depending on factors such as demographics, competition, geography, cost and availability of advertising media, cost and availability of marketing assets, economics, and other factors in Franchisor's discretion Unless specifically stated in the Area Marketing Program terms, Franchisee's participation in any such program shall not limit or offset any of Franchisee's marketing, sales or advertising obligations as set forth in this Agreement and the Confidential Manuals

2 9 Sales Targets

2 9 1 Franchisee agrees that the Sales Targets set forth below are fair and reasonable in all respects, and acknowledges that it provided input regarding these requirements before executing this Agreement By providing Sales Targets, Franchisor is not making any express or implied representation, warranty or guaranty of sales volume, financial gain, or likelihood of success

PERFORMANCE PERIOD	SALES TARGET FOR PERIOD
First 3 months	
Months 4 through 10	
Months 11 through 16	
Total for 15 Month Period	

2 9 2 If at any time during the Term of this Agreement Franchisee fails to meet the Sales Targets established pursuant to this Section 2 9 six (6) times in any annual period (beginning on the Effective Date of this Agreement), Franchisor may, in its sole discretion, require Franchisee to develop a reasonable sales, marketing, and operations plan in order to increase Franchisee's sales in the Metro Service Area, which plan may include hiring additional salespeople, advanced training, increased local marketing budget, additional staff to streamline operations, mandating local marketing activities, and similar activities which shall be done at the Franchisee's expense

2 9 3 Reasonable adjustments to Franchisee's Sales Targets for years two (2) through five (5) of this Agreement will be set by mutual agreement of the parties after good faith negotiations If the parties cannot agree on a reasonable adjustment to the Sales Targets before the applicable anniversary date of this Agreement, the Sales Target shall be the same as the prior year, plus the greater of (i) a ten percent increase, or (ii) the average annual percentage increase in residential solar installations (as measured in dollars, not watts) for the state your office is located in as a whole

3 FEES

3 1 Franchise Fee

Upon execution of this Agreement, Franchisee shall pay a fee ("**Franchise Fee**") to Franchisor of thirty-five thousand dollars ($35,000 00) The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable The Franchise Fee is payment, in part, for Franchisor's license to Franchisee of the right to use the Marks and System, costs and expenses incurred by Franchisor in furnishing pre-opening assistance and services to Franchisee as set forth in this Agreement including training, and deferment of Franchisor's opportunity to sell the franchise to others

3 2 Royalty Fee

Due on invoice, on a project basis, for so long as this Agreement shall be in effect, Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, a fee ("**Royalty Fee**") equal to four percent (4%) of Gross Sales Pursuant to Section 3 5 of this Agreement, Franchisor requires Franchisee to pay Royalty Fees through electronic transfer The annual minimum Royalty Fee to be paid by Franchisee to Franchisor shall be 50% of the expected royalties collected from the Sales Targets Should Franchisee's Royalty Fee payments over the course of a one (1) year period (commencing upon the Effective Date) not equal or exceed 50% of the expected royalties collected from Sales Targets, Franchisee shall pay to Franchisor the remaining balance within fifteen (15) business days after the end of the respective year If Franchisor requires Franchisee to pay Royalty Fees through electronic transfer as set forth in Section 3 5, such reports shall instead be submitted to Franchisor via facsimile transmission or electronic mail

3 3 Fees For Sales Training, Technical Training, and Business Operations Training

3 3 1 "**Sales Training**" is a mandatory two (2) day training course for Franchisee's sales advisors The Designated Manager and at least one (1) owner of the Franchised Business must attend the required Sales Training before beginning operations, which will be provided without separate tuition Additional sales advisors may attend Sales Training without separate tuition when such training is offered All expenses incurred by Franchisee or its staff in attending Sales Training including, but not limited to, travel costs, room and board expenses and salaries, shall be the sole responsibility of Franchisee

3 3 2 "**Technical Training**" is a five (5) day technical solar training course for Franchisees provided by Franchisor The Designated Manager and at least one (1) owner of the Franchised Business must attend the required Technical Training before beginning operations, which will be provided without separate tuition A maximum of two (2) additional employees may attend Technical Training within ninety (90) days of the Effective Date without separate tuition Except as provided in this Section 3 3 2, Franchisee shall pay Franchisor a fee of Six Hundred Ninety-Five Dollars ($695) for each additional employee who wishes to participate in Technical Training The fee charged for Technical Training may be reasonably adjusted from time to time by Franchisor to reflect increased costs upon written notice to Franchisee All expenses incurred by Franchisee or its staff in attending Technical Training including, but not limited to, travel costs, room and board expenses and salaries, shall be the sole responsibility of Franchisee

3 3 3 "**Busmess Operations Traimng**" is a two (2) day business operations training course provided by Franchisor, which is only available to owners of the Franchised Business and the Designated Manager The Designated Manager and at least one (1) owner of the Franchised Business must attend the required Business Operations Training before beginning operations, which will be provided without separate tuition All owners of the Franchise Business may attend Business Operations within sixty (60) days of the Effective Date without separate tuition Except as provided in this Section 3 3 3, Franchisee shall pay Franchisor a fee of Two Hundred Ninety-Five Dollars ($295) for each additional owner or Designated Manager who participates in Business Operations Training The fee charged for Business Operations Training may be reasonably adjusted from time to time by Franchisor to reflect increased costs upon written notice to Franchisee All expenses incurred by Franchisee or its Designated Manager in attending Business Operations Training including, but not limited to, travel costs, room and board expenses, and salaries, shall be the sole responsibility of Franchisee

3 4 <u>Taxes</u>

In addition to any sales, use, excise, privilege or other transaction taxes that Franchisor is required or permitted by law to collect from Franchisee for the sale, lease or other provision of goods or services under this Agreement, Franchisee shall pay to Franchisor an amount equal to all federal, state, local or foreign (i) sales, use, excise, privilege, occupation or any other transactional taxes, (ii) business activity taxes, whether calculated with respect to capital, net income, gross receipts, services provided or some other basis or combination thereof, or (iii) any other taxes or similar exactions no matter how designated, that are imposed on Franchisor or required to be withheld by Franchisee in connection with the receipt or accrual of service fees, royalties or any other amounts payable by Franchisee to Franchisor under this Agreement Any additional required payment pursuant to the preceding sentence shall be made in an amount necessary to provide Franchisor with after tax receipts (taking into account any additional payments required hereunder), equal to the same amounts Franchisor would have received under the provisions of this Agreement if such additional tax liability or withholding had not been imposed or required

3 5 <u>Electronic Transfer</u>

Franchisor requires all Royalty Fees, Marketing Fund Contributions, amounts due for purchases by Franchisee from Franchisor and other amounts due to Franchisor or its Affiliates (collectively, the "**Fees**") to be paid through an Electronic Depository Transfer Account Franchisee shall open and maintain an Electronic Depository Transfer Account, and shall provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor and its Affiliates Franchisee shall make deposits to the account sufficient to cover amounts owed to Franchisor before the date such amounts are due Franchisee shall execute any documents Franchisor's or Franchisee's bank requires to establish and implement the Electronic Depository Transfer Account Once established, Franchisee shall not close the Electronic Depository Transfer Account without Franchisor's written consent Franchisor does expressly reserve the right to alter the method of collection at any time and is not limited in its ability and capacity to do so

3.6 Late Fees and Credit Hold

All Fees that are not received by Franchisor and its Affiliates within five (5) days after the due date shall incur late fees at the rate of one and one-half percent (1 5%) per month (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower) from the date payment is due to the date payment is received by Franchisor Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Fees or any other amounts due Franchisor, including reasonable accounting and legal fees Should Franchisee fail to timely pay any amounts owed to Franchisor, Franchisor may, in its sole discretion, require Franchisee to prepay for any products or services from Franchisor, accelerate the due dates for amounts owed, and may suspend its (or any Affiliate's) performance of any obligation or service until all amounts due to Franchisor have been paid This Section shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee

3 7 Application of Payments

Notwithstanding any designation by Franchisee, Franchisor and its Affiliates shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Fees, or any other amount owed to Franchisor and its Affiliates in any proportion or priority Franchisor (or any of its Affiliates) may, in its sole discretion, exercise Franchisor's right to set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor (or any of its Affiliates) pursuant to Section 22 10 of this Agreement

4 TERM AND RENEWAL

4 1 Initial Term

This Agreement shall be effective and binding for an initial term of five (5) years from the Effective Date, unless sooner terminated pursuant to Section 16

4 2 Successor Terms

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a then-current franchise agreement with Franchisor To qualify for a successor franchise, each of the following conditions shall have been fulfilled and remain true throughout the term of this Agreement, including on the last day of the term of this Agreement

4 2 1 Franchisee has, during the entire term of this Agreement, fully complied with all material provisions of this Agreement,

4 2 2 Franchisee has access to and, for the duration of the successor franchise, the right to remain in possession of the Approved Location, or a suitable substitute location approved by Franchisor, which is in full compliance with Franchisor's then-current specifications and standards,

4 2 3 Franchisee has, at its expense, made such capital expenditures as were necessary to maintain compliance with any Franchisor-required System modifications such that the Franchised Business reflects Franchisor's then-current standards and specifications,

4 2 4 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor, Franchisor's Affiliates, supplier, landlord, and all other creditors, and has timely met these obligations throughout the term of this Agreement,

4 2 5 Franchisee is not in default of any provision of this Agreement, any other agreement between Franchisee and Franchisor, or any other agreement entered into with a party, concerning matters relating to the Franchised Business,

4 2 6 Franchisee has given written notice of its intent to operate a successor franchise to Franchisor not less than three (3) months nor more than twelve (12) months before the end of the term of this Agreement,

4 2 7 Franchisee has executed Franchisor's then-current form of franchise agreement (or has executed other documents at Franchisor's election that modify this Agreement to reflect that this Agreement relates to the grant of a successor franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different term length, percentage Royalty Fee or Marketing Fund Contribution, provided, however, that Franchisee shall not be required to pay the then-current Franchise Fee,

4 2 8 Franchisee has paid to Franchisor a "**Successor Term Fee**" in the amount of Five Thousand Dollars ($5,000),

4 2 9 Franchisee has complied with Franchisor's then-current qualifications for a new franchisee and has agreed to comply with any training requirements and certification/licensing requirements, and

4 2 10 Franchisee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, of any and all claims against Franchisor, any of its Affiliates, and against their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where the Franchised Business is located

5 APPROVED LOCATION

5 1 Selection of Site

Franchisee shall select a suitable commercial location for the Franchised Business within the Franchisee's Metro Service Area Franchisor may provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location, including minimum office space and certain required equipment Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including, without limitation, the condition of the premises, available storage space for equipment and supplies, demographics of the surrounding area, proximity to other Solar Universe Businesses, proximity to Competitive Businesses, lease requirements and overall suitability Franchisee shall not locate the Franchised Business on a selected site without the prior written approval of Franchisor Franchisor does not represent that it, or any of its Affiliates, owners, employees or agents, have special expertise in selecting sites Neither Franchisor's assistance nor approval is intended to indicate or indicates that the Franchised Business will be profitable or successful at the Approved Location Franchisee is solely responsible for identifying the Approved Location

5 2 **Failure to Select Site**

Should Franchisee fail to select a site for the Franchised Business that meets with Franchisor's approval within ninety (90) days after the Effective Date, Franchisor has the right to terminate this Agreement pursuant to Section 16 1 2 below

5 3 **Lease of Approved Location**

If Franchisee is to execute a lease for, or a binding agreement to purchase, the Approved Location, Franchisee must obtain Franchisor's approval of the terms of the lease or purchase agreement Franchisor shall not unreasonably withhold its approval If Franchisee (or an Affiliate of Franchisee) owns or purchases the Approved Location, Franchisor may require that there be an approved lease with Franchisee as the tenant ***Franchisor's review of a lease or purchase agreement, or any advice or recommendation offered by Franchisor, shall not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement Franchisee acknowledges and agrees that Franchisee shall solely rely on its review of any such lease and is urged to seek legal counsel regarding any lease or purchase agreement*** Franchisor shall be entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement Franchisee shall take all actions necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect Franchisor's approval of a lease shall be conditioned upon inclusion of terms in the lease acceptable to Franchisor and, at Franchisor's option, the lease shall contain such provisions as Franchisor may reasonably require, including provisions

5 3 1 requiring the lease to be coterminous with, or not to exceed, the term of this Agreement,

5 3 2 requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee,

5 3 3 requiring the lessor to provide Franchisor (at the same time lessor provides to Franchisee) a copy of all lease amendments and assignments, and a copy of all letters and notices lessor sends to Franchisee relating to the lease or the leased premises,

5 3 4 permitting Franchisor to enter the leased premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect the System and the Marks, and to permit Franchisor to enter the leased premises upon expiration and non-renewal or termination of the lease or the Franchise Agreement to remove any interior and exterior signs containing the Marks, trade fixtures, or other items of property belonging to Franchisor, without being guilty of trespass, or other tort or other crime,

5 3 5 allowing Franchisee to display the Marks in accordance with the specifications required by the Confidential Manuals, subject only to the provisions of applicable law,

5 3 6 stating that lessor shall not amend or otherwise modify the lease in any manner that would affect any of the foregoing provisions to be included in the lease set forth above without Franchisor's prior written consent

5 4 <u>Development of Approved Location and Vehicle</u>

Franchisor shall make available to Franchisee, at no charge to Franchisee, specifications for the Approved Location, vehicle (and signage wrap) and other equipment necessary for the development of a REPOWER Business Franchisee shall cause the Approved Location to be developed, equipped and improved in accordance with such specifications within one hundred twenty (120) days after the Effective Date, and in conjunction therewith, Franchisee shall

5 4 1 obtain all permits and licenses required for operation of the Franchised Business,

5 4 2 purchase or lease a vehicle meeting all of Franchisor's specifications as stated in the Confidential Manuals and shall cause the vehicle to be wrapped in the appropriate signage, all vehicles must be new unless advance written approval is provided by Franchisor, in its sole and absolute discretion,

5 4 3 purchase all supplies or inventory necessary for the operation of the Franchised Business, as specified in the Confidential Manuals,

5 4 4 purchase and install all equipment, signs, furniture and fixtures, including any computer equipment, required for the operation of the Franchised Business, and

5 4 5 establish broadband or high-speed Internet access and obtain at least one (1) local mobile telephone number containing an area code in the Metro Service Area

5 5 <u>Failure to Develop Approved Location and Vehicle</u>

Should Franchisee fail to develop the Approved Location for the Franchised Business and/or the vehicle within one hundred twenty (120) days after the Effective Date, Franchisor has the right to terminate this Agreement pursuant to Section 16 1 2

5 6 <u>Opening</u>

5 6 1 Before opening the Franchised Business and commencing business, Franchisee must

(a) fulfill all of the obligations of Franchisee pursuant to the other provisions of this Section 5,

(b) furnish Franchisor with copies of all insurance certificates and endorsement (and insurance policies, upon request) required by this Agreement, the lease, or pursuant to legal requirements, or such other evidence of insurance coverage and payment of premiums as Franchisor may request,

(c) complete initial training to the satisfaction of Franchisor,

(d) hire and train the personnel, with all necessary licenses and certifications, necessary or required for the operation of the Franchised Business,

(e) obtain all necessary business permits and licenses and provide Franchisor with proof of each,

(f) if Franchisee is a business entity, Franchisee has caused each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement,

(g) obtain Franchisor's permission and approval of an opening date, Franchisor shall not unreasonably withhold consent to open Permission to open shall be based on Franchisor's determination that Franchisee is ready to open and satisfactorily prepared to operate, and

(h) pay in full all amounts due to Franchisor

5 6 2 Franchisor will also provide Franchisee with a detailed checklist of required pre-opening tasks in the Confidential Manuals or otherwise in writing, which tasks must be completed to the satisfaction of Franchisor before beginning operations Franchisee shall comply with these conditions and be prepared to open and continuously operate the Franchised Business within one hundred eighty (180) days after the Effective Date Time is of the essence

5 7 <u>Failure to Open</u>

Should Franchisee fail to commence operations of the Franchised Business from the Approved Location within one hundred eighty (180) days after the Effective Date, Franchisor has the right to terminate this Agreement pursuant to Section 16 1 2 of this Agreement

5 8 <u>Use of Approved Location</u>

Franchisee shall not use the Approved Location for any purpose other than for the operation of a Solar Universe Business, unless approved in writing by Franchisor

5 9 <u>Relocation</u>

Franchisee shall not relocate the Franchised Business without the prior written consent of Franchisor Any such relocation shall be at Franchisee's sole expense, and selection of the new location of the Franchised Business shall proceed in accordance with the requirements set forth in this Section 5 Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing relocation assistance to Franchisee, however, Franchisor has no obligation to provide relocation assistance If Franchisor and Franchisee do not agree upon a substitute site within ninety (90) days after the lease for the Approved Location expires or is terminated, Franchisor may terminate this Agreement

6 PROPRIETARY MARKS

6 1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks Franchisor is the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks All goodwill created by Franchisee by Franchisee's use of the Marks in operating the Franchised Business shall immediately vest in Franchisor

6 2 Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Business Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee Franchisee shall include on its letterhead, forms, cards, stationery, and other such identification, and shall display at the Approved Location, a prominent and conspicuous notice stating that the Franchised Business is an "Independently Owned and Operated Solar Universe Franchise" of Franchisee Franchisee shall also prominently and conspicuously display Franchisee's business entity name at the Approved Location

6 3 Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim, provided, however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense Franchisor has the right to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks

6 4 Change to Marks

As described in Section 2 7 9, above, Franchisor has the right, in its sole discretion, to modify or discontinue use of any of the Marks and/or use one (1) or more additional or substitute Marks, trade names, trademarks, service marks or other commercial symbols In such circumstances, the use of the substituted marks shall be governed by the terms of this Agreement

6 5 Substitution of Marks by Franchisee

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within ten (10) business days after notice to Franchisee by Franchisor Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark

6 6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business, Franchisor and its designees have the right to enter and inspect the Franchised Business and the Approved Location at all reasonable times and, additionally, have the right to observe the manner in which Franchisee renders services and conducts activities and operations, including both at the Approved Location and customer locations, and to inspect facilities, products, including all supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised Business in accordance with the quality control provisions and performance standards established by Franchisor Franchisor shall have the right to enter the premises with any other individual(s) to assist in the inspection of the premises and all equipment, supplies, and other related items Franchisor and its agents shall have the right, at any reasonable time, to remove sufficient quantities of products, supplies or other items to test whether such products or items meet Franchisor's then-current standards In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform to Franchisor's specifications Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised Business and to interview and survey (whether in person or by mail) customers and employees and to photograph or videotape the operations Franchisee further agrees to reimburse Franchisor for its time and travel expenses if an additional inspection of the Franchised Business is required, and upon the additional inspection, it is determined that the Franchisee has not corrected the violation

6 7 Franchisor's Sole Right to Domain Name

Franchisee shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "Solar Universe" or any variation thereof, or establish any other Internet site or website related to the Franchised Business, without Franchisor's prior written approval Franchisor is the sole owner of all right, title and interest in and to such domain names as Franchisor shall designate in the Confidential Manuals or otherwise in writing

6 8 Social Media

Franchisee shall comply with the standards and procedures developed by Franchisor, in the manner directed by Franchisor in the Confidential Manuals or otherwise, with regard to Franchisee's authorization to use, and use of, blogs, common social networks (such as "Facebook" and "Myspace"), professional networks (such as "LinkedIn"), live blogging tools (such as "Twitter"), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools ("**Social Media**") that in any way reference or involve the Marks or the Franchised Business Franchisee must obtain Franchisor's written approval before using any Social Media or establishing any Social Media accounts which in any way reference or involve the Marks or the Franchised Business Franchisee's use of Social Media shall at all times be done in a professional manner and shall contain appropriate messaging which reflects positively on Franchisor, Franchisee, other franchisees, and the Marks Franchisee shall not engage in any deceptive, misleading, disparaging or unethical representations or practices when using Social Media Franchisor may, in its sole discretion, revoke its approval of Franchisee's use of Social Media at any time if Franchisee fails to comply with this Section 6 8

7 CONFIDENTIAL INFORMATION

7 1 Confidentiality of Information Received

Franchisee acknowledges that Franchisor shall disclose Confidential Information to Franchisee during the training program, through the Confidential Manuals, and as a result of guidance furnished to Franchisee during the term of this Agreement Franchisee shall not acquire any interest in the Confidential Information, other than the right to use it solely in the development and operation of the Franchised Business and in performing its duties during the term of this Agreement Franchisee acknowledges that the use or duplication of the Confidential Information in any other business venture would constitute an unfair method of competition Franchisee acknowledges that the Confidential Information is proprietary and is disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers, employees and members of the professional staff of Franchisee) (a) shall not use the Confidential Information in any other business or capacity, (b) shall maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement, (c) shall not make any unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form, and (d) shall adopt and implement all procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information, and in no event use less than reasonable care when handling the Confidential Information, including without limitation, protection of Confidential Information from theft, unauthorized duplication and discovery of contents, and restricting access by unauthorized persons to Confidential Information Franchisee shall enforce this Section as to its employees, agents, representatives, and anyone else who may become privy to Franchisor's Confidential Information, and shall be liable to Franchisor for any unauthorized disclosure or use of Confidential Information by any of them

7 2 Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Confidential Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation shall be due to Franchisee or its owners or employees, therefore, and Franchisee agrees to assign to Franchisor all right, title and interest in any intellectual property so developed Franchisor has the right to incorporate such items into the System To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not

7 3 In-Term Non-Competition

Franchisee acknowledges that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Solar Universe franchisees if owners of Solar Universe Businesses were permitted to hold an interest in or perform services for any Competitive Business Therefore, during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall

7 3 1 Divert or attempt to divert any business or customer of the Franchised Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks or the System, or

7 3 2 Disclose Confidential Information to a Competitive Business or otherwise use such Confidential Information to the disadvantage of Franchisor, any of its Affiliates, or its other franchisees, or

7 3 3 Own an interest in, manage, operate, assist, or perform services for any Competitive Business wherever located

7 4 Nondisclosure and Non-Competition Agreements with Certain Individuals

Any holder of a legal or beneficial interest in Franchisee and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee shall execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2, upon execution of this Agreement or before each such person's affiliation with Franchisee Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Section to ensure that Franchisee has complied will all requirements of Section 7 4 All such agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein Franchisor shall be a third party beneficiary with the right to enforce covenants contained in such agreements

7 5 Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable

8 TRAINING AND ASSISTANCE

8 1 Initial Training Program

Franchisor will provide certain initial training to Franchisee related the operation and administration of the Franchised Business Before the opening of the Franchised Business, the Designated Manager and least one (1) owner of the Franchised Business must attend and successfully complete, to Franchisor's satisfaction, an initial training program provided by Franchisor including, but not limited to Sales Training, Technical Training, and Business Operations Training (collectively the "**Initial Training Program**") Franchisor shall conduct the Initial Training Program at its headquarters or at another designated location Franchisor shall not charge tuition or similar fees for an owner of Franchisee and its Designated Manager to attend the Initial Training Program, however, all expenses incurred by Franchisee, its Designated Manger or any additional personnel in attending such training including, but not limited to, travel costs, room and board expenses and salaries, shall be the sole responsibility of Franchisee Additional employees of Franchisee may attend Technical Training or Sales Training for a separate fee, as further described in Sections 3 3 1 and 3 3 2 Franchisee shall be responsible for training its management staff and other employees, and ensuring that its management staff and employees are up-to-date with all operational and administrational changes

8 2 Opening Assistance

In conjunction with the beginning of operation of the Franchised Business, Franchisor shall make available to Franchisee, at Franchisor's expense, one (1) of Franchisor's representatives, experienced in the System, for the purpose of familiarizing Franchisee's staff with Solar Universe techniques and for the purpose of providing general assistance and guidance in connection with the opening of the Franchised Business If Franchisee requests additional assistance with respect to the opening or continued operation of the Franchised Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisee shall pay Franchisor's then-current standard rates, plus expenses, for such additional assistance

8 3 New Designated Manager

After beginning operations, should Franchisee name a new Designated Manager, Franchisee must notify Franchisor of the identity of the proposed new Designated Manager Franchisor has the right, in its sole discretion, to approve the proposed new Designated Manager of the Franchised Business The new Designated Manager must attend and complete the Initial Training Program to Franchisor's satisfaction within sixty (60) days of being approved by Franchisor Franchisee shall pay to Franchisor its then-current fees for the Initial Training Program unless otherwise agreed in writing In addition to the cost of training, Franchisee shall be responsible for all travel costs, room and board and salary incurred in connection with the newly-appointed Designated Manager's attendance at such training

8 4 Ongoing Training

From time to time, Franchisor may provide and if it does, has the right to require that the Designated Manager attend ongoing training programs or seminars during the term of this Agreement Franchisor may charge a fee for any mandatory ongoing training Franchisor shall not require the Designated Manager to attend more than one (1) mandatory ongoing training program in any calendar year and collectively not more than two (2) days in any calendar year Franchisee shall be responsible for all travel costs, room and board and salary incurred in connection with the Designated Manager's attendance at such training

9 CONFIDENTIAL MANUALS

9 1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee, or grant Franchisee electronic access to, one (1) copy of each of the following (a) Solar Universe Confidential Operations Manual, (b) Survey Design and Installation Guide, and (c) Sales and Marketing Guide (collectively, the "**Confidential Manuals**") The Confidential Manuals may consist of additional materials as designated by Franchisor, which may be in written or electronic form Franchisee shall conduct the Franchised Business in strict accordance with the provisions set forth in the Confidential Manuals The Confidential Manuals shall, at all times, remain the sole property of Franchisor and, if Franchisee possesses paper copies of the Confidential Manuals, Franchisee shall promptly return such copies to Franchisor upon expiration or termination of this Agreement

9 2 Revisions

Franchisor has the right to add to or otherwise modify the Confidential Manuals from time to time to reflect changes in the specifications, standards, operating procedures, policies and rules prescribed by Franchisor Franchisor may make such additions or modifications without prior notice to Franchisee Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Confidential Manuals are up-to-date at all times If a dispute as to the contents of the Confidential Manuals arise, the terms of the master copies of the Confidential Manuals maintained by Franchisor at Franchisor's headquarters shall be controlling

9.3 Unauthorized Disclosure

The Confidential Manuals contains Confidential Information of Franchisor and Franchisee shall take reasonable security precautions to protect the secrecy of and avoid disclosure, unauthorized use or duplication of the Confidential Manuals' contents and all Confidential Information both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement In no event shall Franchisee use less than reasonable care when handling the Confidential Manuals, including without limitation, protecting it from theft, unauthorized duplication and discovery of contents, and restricting access by unauthorized persons Franchisee shall at all times ensure that its copies of the Confidential Manuals are available at the Approved Location in a current and up-to-date manner If the Confidential Manuals are in paper form or stored on computer-readable media, Franchisee shall maintain the Confidential Manuals in a secure manner at the Approved Location, if the Confidential Manuals are in electronic form, Franchisee shall maintain the Confidential Manuals in a password-protected file Franchisee shall only grant authorized personnel, as defined in the Confidential Manuals, access to the Confidential Manuals or any key, combination or passwords needed for access to the Confidential Manuals Franchisee shall not disclose, duplicate or otherwise use any portion of the Confidential Manuals in an unauthorized manner Franchisee shall immediately notify Franchisor in the event of any unauthorized use or disclosure of the Confidential Manuals or any other Confidential Information

10 SYSTEM MODIFICATIONS

10 1 Uniformity

Franchisee shall strictly comply, and shall cause the Franchised Business and its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Confidential Manuals or other communications supplied to Franchisee by Franchisor

10 2 Modification of the System

Franchisee recognizes that from time to time, Franchisor may introduce, as part of the System, other methods or technology which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, equipment or signs Franchisee agrees to make all required upgrades and modifications at its expense as may be required by Franchisor Franchisee acknowledges that any required expenditures for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 13 2 of this Agreement Notwithstanding the foregoing, Franchisee shall be required to make any and all improvements or modifications whenever such are required by law, regulation, agency decision or court order

10 3 Variance

Franchisor has the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular Solar Universe

Business Franchisor shall not be required to disclose or grant to Franchisee a like or similar variance hereunder

11 ADVERTISING AND PROMOTIONAL ACTIVITIES

11 1 Initial Marketing Kit

Franchisee is required to purchase an initial marketing kit, which includes uniforms, collateral, van wraps, business cards and other brand items (the "Initial Marketing Kit") for a price that ranges from $3,000 to $10,000, depending on marketing strategies The Initial Marketing Kit expenditures shall be in addition to any Local Advertising expenditures and Marketing Fund Contributions

11 2 Local Advertising

11 2 1 Franchisee shall continuously promote the Franchised Business Every month, Franchisee shall spend at least six percent (6%) of Franchisee's Sales Target in Franchisee's Metro Service Area (**"Local Advertising"**) Such expenditures shall be made directly by Franchisee, subject to the prior approval and direction of Franchisor Franchisor shall provide general guidelines to Franchisee for conducting Local Advertising and Franchisee shall develop and submit to Franchisor, for Franchisor's review and approval, a quarterly marketing plan Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on Local Advertising along with each quarterly and annual financial statement as required in Section 12 3 of this Agreement, unless a different schedule for submissions is required by Franchisor

11 2 2 Franchisee shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, television ads, radio ads, ad copy, coupons, flyers, scripts and direct mail Franchisor shall use reasonable efforts to provide notice of approval or disapproval within twenty (20) days from the date all requested material is received by Franchisor If Franchisor does not approve submitted materials by the end of such twenty (20) day period, such materials shall be deemed to have not received the required approval Franchisee shall not use any marketing or promotional material before written approval by Franchisor The submission of advertising materials to Franchisor for approval shall not affect Franchisee's right to determine the prices at which Franchisee sells products or provides services

11 2 3 Franchisor has the right, but not the obligation, and either through Franchisor or the Marketing Fund, to provide Franchisee pre-approved advertising and promotional materials, including, but not limited to, television ads, radio ads, ad copy, coupons, flyers, scripts and direct mail, for use in Franchisee's Local Advertising Franchisor may continually replace or designate new pre-approved advertising and promotional materials, and has absolute discretion and right in doing so Franchisor may solicit input from Franchisee(s) or an independent third-party, however, Franchisor has absolute discretion in designating any and all pre-approved materials

11 2 4 Franchisee agrees to subscribe to, participate in, and comply with any and all operating programs, customer satisfaction programs, account programs, promotional programs, experimental or test programs, and such other programs that Franchisor may from time to time prescribe in the Confidential Manuals or otherwise in writing

11 2 5 Franchisor reserves the right to designate, from time to time, one or more Approved Suppliers, as defined in Section 13 1 below, for any marketing materials, collateral, advertising or related services, products or supplies If so designated by Franchisor, Franchisee shall use such designated Approved Supplier exclusively, which may be Franchisor or an Affiliate of Franchisor

11 3 Marketing Fund

Franchisor has established and administers a system-wide marketing, advertising and promotion fund to assist in Franchisor's regional and national advertising (**"Marketing Fund"**) On a quarterly basis, Franchisee shall be required to contribute $500 for every $500,000 per quarter in revenue or $1,000 per quarter, whichever one is greater, not to exceed $5,000 per quarter, to the Marketing Fund, as invoiced, unless a different amount or timing for contributions is specified by Franchisor (**"Marketing Fund Contribution"**) Franchisor shall be permitted to make reasonable adjustments to Franchisee's required Marketing Fund Contribution upon at least ninety (90) days prior written notice to Franchisee The Marketing Fund shall be maintained and administered by Franchisor or its designee as follows

11 3 1 Franchisor shall oversee all marketing programs, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof Franchisor does not warrant that any particular franchisee will benefit directly or *pro rata* from expenditures by the Marketing Fund The program(s) may be local, regional or system-wide Franchisor does not warrant the success or effectiveness of any particular marketing program

11 3 2 The Marketing Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, producing, preparing, and accounting for marketing, advertising, public relations, and/or promotional programs and materials, and any other activities, including socially responsible activities, which Franchisor believes will enhance the image of the franchise network, including, among other things, the costs of preparing and conducting media marketing campaigns, developing and/or hosting an Internet web page or site and similar activities, direct mail advertising, marketing surveys and other public relations activities, employing advertising and/or public relations agencies to assist therein, sponsorship of organizations and events, purchasing promotional items, conducting and administering promotions, providing promotional and other marketing materials and services to Solar Universe Franchise Businesses, and costs of general and administrative expenses relating to the Marketing Fund

11 3 3 Franchisor shall endeavor to spend all Marketing Fund Contributions on marketing programs and promotions during Franchisor's fiscal year within which such contributions are made If excess amounts remain in any Marketing Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest or other earnings of the Marketing Fund, then out of contributions from the current fiscal year

11 3 4 Although Franchisor intends the Marketing Fund to be of perpetual duration, Franchisor has the right to terminate the Marketing Fund at any time The Marketing Fund shall not be terminated, however, until all Marketing Fund Contributions have been expended for advertising and promotional purposes or returned to Franchisee and other franchisees on a *pro rata* basis based on total Marketing Fund Contributions made in the aggregate by each franchisee

11 3 5 Each Solar Universe Business operated by Franchisor or an Affiliate of Franchisor, if any, shall make Marketing Fund Contributions at the same rate as comparable Solar Universe franchisees

11 3 6 No more than once per year, upon written request from Franchisee, Franchisor will provide a statement describing how Marketing Fund monies were utilized during the previous year

11 3 7 Franchisee acknowledges that the Marketing Fund is not a trust and Franchisor assumes no fiduciary duty in administering the Marketing Fund

11 4 Cooperative Advertising

Franchisor has the right, but not the obligation, to create a Cooperative Advertising program for the benefit of Solar Universe Businesses located within a particular region Franchisor has the right to collect and designate all or a portion of the Local Advertising payments or contributions to Franchisor for the funding of a Cooperative Advertising program Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program and to require that Franchisee participate in such Cooperative Advertising programs when established within Franchisee's region If a Cooperative Advertising program is implemented in a particular region, Franchisor has the right to establish an advertising council to self-administer the Cooperative Advertising program Franchisee shall participate in the council according to the council's rules and procedures and Franchisee shall abide by the council's decisions Should Franchisor establish a Cooperative Advertising program or programs with or without an advertising council, Franchisor has the right, but not the obligation, to change, dissolve or merge such program(s) and/or council(s) at any time

11 5 Internet Advertising

Franchisee may not establish a presence on, or market using, the Internet in connection with the Franchised Business without Franchisor's prior written consent Franchisor has established and maintains an Internet website at the uniform resource locator www solaruniverse com that provides information about the system and the products and services that Franchisor and its franchisees provide Franchisor may (but is not required to) include at the Solar Universe website an interior page containing information about the Franchised Business If Franchisor includes such information on the Solar Universe website, Franchisor has the right to require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides All such information shall be subject to Franchisor's approval before posting Franchisor retains the sole right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, lead generation, auction sites, e-commerce and co-branding arrangements Franchisee may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements Franchisor retains the sole right to approve any linking to, or other use of, the Solar Universe website

11 6 Local Directory Advertising

Franchisee agrees to list the Franchised Business in paper and electronic directories applicable to the Metro Service Area, or as otherwise directed by Franchisor Franchisee authorizes Franchisor, at

Franchisor's discretion, to appoint any qualified agent or agency to place telephone directory and electronic listings, at Franchisee's expense, in the uniform manner prescribed by Franchisor Franchisee agrees to pay for such listings in the manner prescribed by Franchisor from time to time

12 ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

12 1 Records

During the term of this Agreement, Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Confidential Manuals or otherwise in writing Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law Franchisee shall submit copies of any such records to Franchisor upon request Franchisee must at all times maintain its Franchised Business accounting system and records separate from any other business or personal accounting

12 2 Financial Statements

Franchisee shall supply to Franchisor, within fifteen (15) days after the end of each quarter, a quarterly financial statement in a form approved by Franchisor, which shall include at minimum, a balance sheet, profit and loss information, and statement of cash flows for the preceding quarter and the fiscal year-to-date Franchisee shall, at its expense, submit to Franchisor within thirty (30) days after the end of each calendar year, a financial statement for the calendar year just ended in a form approved by Franchisor, which shall include at minimum, a balance sheet, profit and loss information, and statement of cash flows as of the last day of the calendar year Such financial statements shall be prepared in accordance with GAAP If required by Franchisor, any such financial statements shall be reviewed or audited by a certified public accountant Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Confidential Manuals or otherwise in writing

12 3 Project and Sales Reporting

Franchisee must use the sales software and project reporting systems designated by Franchisor and must at all times keep such databases updated with accurate, complete and current information regarding its sales efforts, customer records, and solar installation projects Franchisee shall comply with any timing, content, or other requirements related to such reporting as specified by Franchisor in the Confidential Manuals or otherwise in writing Failure to accurately report sales, project information, or customer data will result in termination of this Agreement, pursuant to Section 16 1 2 of this Agreement

12 4 Other Reports

Franchisee shall submit to Franchisor such other reports or records as Franchisor may reasonably request from time to time or as specified in the Confidential Manuals Franchisor shall have the right to release financial and operational information relating to the Franchised Business to Franchisor's lenders or prospective lenders Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement

12 5 Computer Systems and Software

Franchisor reserves the right to require Franchisee to purchase or license, install and use computer hardware and/or software systems for key aspects of the Franchised Business, including but not limited to sales, accounting, job quotation, lead generation, equipment procurement, email, and calendaring as specified in the Confidential Manuals or otherwise in writing Franchisee shall install such computer updates and upgrades as required by Franchisor in the Confidential Manuals or otherwise in writing Franchisor shall have full access to all of Franchisee's computers, software, data, systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement

12 6 Customer Data

All data created or collected by Franchisee in connection with this Agreement, or in connection with Franchisee's operation of the Franchised Business (including but not limited to lists of actual or potential customers, data, agreements, files and transaction records or documents), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement Franchisor may use any such data or information at its discretion without compensation to Franchisee Franchisor hereby licenses use of such data and information back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the Franchised Business

12 7 Right to Inspect

Franchisor or its designee has the right, during normal business hours, to examine, copy and audit the books, records and tax returns of Franchisee Franchisor shall be permitted access to all books, records and tax returns, at all reasonable times, without being found guilty of trespass or any other crime or tort If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by the law of the state where Franchisee is located) If the audit or any other inspection should reveal that Franchisee has not spent, or has spent less than the required amount on Local Advertising, has not made, or has made less than the required contribution to the Marketing Fund, or if the inspection discloses an underpayment of three percent (3%) or more of the amount due for any period covered by the audit, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees) The foregoing remedies shall be in addition to any other remedies Franchisor may have

12 8 Release of Records

12 8 1 At Franchisor's request, Franchisee shall execute such documentation as Franchisor requests to facilitate, authorize and direct third parties, including accounting and legal professionals, to

release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, purchases, sales, marketing data, actual or potential customers, contracts and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor at such frequency, and for such period of time, as requested by Franchisor

12 8 2 Third party vendors providing products or services to Franchisee related to the operation of the Franchised Business are hereby authorized to release to Franchisor any and all data, records or information provided by Franchisee to vendor, or provided by vendor to Franchisee, and to provide Franchisor with direct access to any and all such data, records, information, software platforms and accounts, for the purpose of allowing Franchisor to support the Franchised Business operations, or monitor Franchisee's compliance with this Agreement Such third party vendors may rely on the foregoing authorization without liability to Franchisee when a copy of this Section 12 8 is provided by a duly authorized officer of Franchisor, without the need for any further action, documentation, or authorization from Franchisee to vendor

13 STANDARDS OF OPERATION

13 1 Authorized Products, Services and Suppliers

13 1 1 Franchisee must purchase all equipment related to the Franchised Business from a supplier approved by Franchisor ("**Approved Supplier**") Franchisor (or Franchisor's Affiliates) may be an Approved Supplier and may be designated as the only Approved Supplier for any or all equipment, packages or products related to the Franchised Business Franchisor provides equipment and material packages which include (as applicable), but are not necessarily limited to, solar panels, inverters, racking systems, monitoring equipment, mounting hardware, thermal collectors, tanks, pumps, and other solar system components ("**SUN Packages**") Without the prior written approval of Franchisor, Franchisee may not manufacture any solar system components SUN Package component parts have been pre-approved by Franchisor and meet its current specifications SUN Packages are an integral part of Franchisor's System and the unique bundling of the component parts serve as the foundation for Franchisor's uniform quotation, ordering, invoicing, financing and pricing terms Only approved SUN Packages can be offered for sale or sold by the Franchised Business SUN Packages may not be unbundled, unless otherwise approved in writing by Franchisor, and all SUN Packages must be ordered through Franchisor according to the procedures established by this Agreement and the Confidential Manuals Franchisee is not permitted to contract with or purchase solar equipment, including but not limited to, solar panels or any other component parts included in SUN Packages, directly from any supplier or manufacturer Notwithstanding the foregoing, unless Franchisor notifies Franchisee otherwise in writing, Franchisee may purchase home automation equipment from suppliers who are not Approved Suppliers Franchisee shall not enter into any agreement with a third party that provides or finances solar leases, power purchase agreements, or similar project financing products or services, without the prior written approval of Franchisor Franchisor reserves the right to designate, from time to time, one or more Approved Suppliers for any services, products, equipment, financing, supplies or materials and to require Franchisee to use such designated Approved Suppliers exclusively, which may be Franchisor or Franchisor's Affiliates

13 1 2 Franchisee acknowledges that the reputation and goodwill of the System and the Marks is based in large part on offering high quality products and services to its customers Accordingly, Franchisee shall offer for sale, sell or provide through the Franchised Business or from the Approved Location only those products and services that Franchisor has approved, and which comply with Franchisor's specifications and quality standards Franchisee shall not offer for sale, sell, or provide through the Franchised Business or from the Approved Location any products or services that Franchisor has not approved or which do not comply with Franchisor's specifications To the extent permitted by applicable law, Franchisee shall use all agreement forms and other documents relating to the Franchised Business approved by Franchisor, provided, however, that Franchisor will not provide legal advice to Franchisee and Franchisee is strongly encouraged to seek independent legal advice regarding any legally binding agreements it intends to enter

13 1 3 Franchisor shall provide Franchisee, in the Confidential Manuals or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, equipment and other approved or specified products and services Franchisor may from time to time issue revisions to such list in its sole discretion If Franchisor or Franchisor's Affiliate is an Approved Supplier, Franchisee shall execute a standard form of purchase or supply agreement for the items to be supplied by Franchisor or Franchisor's Affiliate A supply agreement, containing the current terms and conditions, is attached to this Agreement as Exhibit 5 If Franchisee desires to utilize any products (e g software, agreements, etc) or services that Franchisor has not approved, or desires to manufacture its own products, Franchisee shall have the service or product and/or supplier evaluated by Franchisor or an independent agency to determine whether the service or product complies with Franchisor's standards and specifications or whether the supplier meets its Approved Supplier criteria or standards Franchisee shall bear all of the expenses for such evaluation conducted by Franchisor or an independent agency Franchisor will decide within a reasonable time (usually thirty (30) days) after receiving the required information whether Franchisee may purchase or use such items, services or supplier Approval of a supplier may be conditioned on, among other things, the supplier's ability to provide sufficient quantity of product, quality of products or services at competitive prices, production and delivery capability, and dependability and general reputation Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential, or to prohibit Franchisor from deciding that certain products or services should be available only through a single supplier, and that the single supplier shall be Franchisor or Franchisor's Affiliate

13 1 4 Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items, products, services or suppliers Franchisor may revoke its approval of any item, product, service or supplier at any time by notifying Franchisee and/or the supplier Franchisee shall, at its own expense, promptly cease using, selling or providing any items, products or services disapproved by Franchisor and shall promptly cease purchasing from or doing business with suppliers disapproved by Franchisor

13 1 5 Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences Franchisor has the right to give its consent to one (1) or more

franchisees to provide certain products or services not authorized for general use as part of the System Such consent will be based upon the factors set forth in Section 10 3 and shall not create any rights in Franchisee to provide the same products or services

13 1 6 Franchisor acknowledges that the prices Franchisor charges to Franchisee may include a profit to Franchisor (or to an Affiliate of Franchisor), and Franchisor may receive promotional allowances or other payments from an Approved Supplier Franchisor may discontinue the sale of any goods or services at any time for any reason If any goods or products sold by Franchisor are not in sufficient supply to fulfill all orders, Franchisor may allocate the available supply among itself and others in any way Franchisor deems appropriate, and/or substitute substantially equivalent products, which may result in Franchisee not receiving any allocation of certain goods or products as a result of a shortage

13 1 7 Notwithstanding anything contrary in this Agreement, should Franchisee ever breach any provision of Section 13 1 (e g , by purchasing and utilizing any equipment or supplies (or any package of equipment or supplies) from a supplier other than an Approved Supplier), then, in addition to all other remedies otherwise available to Franchisor, Franchisee shall pay Franchisor liquidated damages of one thousand dollars ($1,000) for each instance in which Franchisee has breached any provision of Section 13 1 Franchisee agrees that such calculation of liquidated damages are reasonable in light of the difficulty of calculating or quantifying the actual damages and harm to Franchisor that may arise from the use of, or the offer or sale to the public, of nonapproved equipment, supplies, and packages

13 2 <u>Appearance and Condition of the Franchised Business</u>

Franchisee shall maintain the Franchised Business, the Approved Location, equipment, vehicle and signage in "like new" condition, and shall repair or replace equipment, fixtures, supplies, inventory, vehicle and signage as necessary to comply with the health and safety standards and specifications of Franchisor and Franchisee's lessor and any applicable laws or regulations The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 10 2

13 3 <u>Ownership and Management</u>

The Franchised Business shall, at all times, be under the direct supervision of Franchisee and Franchisee shall devote its full time best efforts to the development and operation of the Franchised Business If Franchisee is an entity, the Franchised Business shall, at all times, be under the supervision of the individual owners identified in Exhibit 4 and those owners shall devote their best efforts to the development and operation of the Franchised Business The Designated Manager shall devote his or her full time best efforts to the management of the day-to-day operation of the Franchised Business, but not less than thirty-five (35) hours per week, excluding vacation, sick leave and similar absences Franchisee shall employ a minimum of two (2) full time salespersons at all times, only one of whom may be an owner or the Designated Manager Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement

13 4 Days of Operation

Franchisee shall keep the Franchised Business open for business during normal business hours throughout the year, except for recognized United States Federal Holidays as determined by the United States Office of Personnel Management or as otherwise specified in the Confidential Manuals For the purposes of this Section 13 4, normal business hours should be consistent with competitor hours and with customary practices in the solar and home improvement sales industry, which may include nights and weekends when customers are available to be contacted

13 5 Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization) Franchisor may withhold any such consent in its sole and absolute discretion

13 6 Licenses and Permits

Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Business Solar installation and sales may necessitate specific licensing and certification requirements, including an electrician's license, or other similar requirements, and Franchisee has the sole duty and responsibility to investigate and comply with all such required licensing, permit and certification requirements and to employ properly licensed and qualified personnel Franchisee may also be required to obtain certain licenses or permits related to the sale of goods, such as a resale license or seller's permit Franchisee shall be solely responsible for investigating and complying with all laws, ordinances and regulations with regard to the operation of the Franchised Business Before beginning operation of the Franchised Business, Franchisee shall provide Franchisor with copies of all applicable licenses, permits and certificates necessary for the operation of the Franchised Business At all times thereafter, Franchisee shall promptly submit to Franchisor copies of all modifications to such licenses, permits and certificates

13 7 Subcontractors

Franchisee shall not use subcontractors to perform any construction or other work for customers without the advanced written approval of Franchisor Any subcontractors engaged by Franchisee shall be properly licensed, bonded and insured Franchisee shall be solely responsible for any subcontractors engaged by Franchisee and shall fully indemnify, defend and hold Franchisor harmless from and against any liability resulting from the work of such subcontractor or the relationship between Franchisee and subcontractor as more fully described in Section 21 3 Approval by Franchisor of the use of a subcontractor by Franchisee shall not constitute a representation of the subcontractor's qualifications to perform the work for which the subcontractor is being hired

13 8 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding of any kind involving Franchisee or the Franchised Business, and of the issuance of any order, writ, injunction, judgment, lien, award or decree which may affect the operation or financial condition of the Franchised Business not more than five (5) days after notice of such commencement or issuance Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation

13 9 Compliance with Good Business and Construction Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and licenses granted hereby Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business This includes Franchisee being appraised of all recent developments and technologies relating to solar installation and renewable energy generally Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Business The Franchised Business shall in all dealings with its customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct, and shall not engage in any deceptive, misleading, or unethical representations or practices Franchisee shall timely meet its payment and other valid contractual obligations to Franchisor, Franchisor Affiliates, Approved Suppliers, vendors, subcontractors, customers, and other parties it does business with All work shall be completed in a good and workmanlike manner, consistent with the standard of care and diligence normally practiced by solar engineering, construction and installation firms in performing the same or similar services in the geographic area where the work occurs, and in compliance with all applicable laws, codes, and regulations Franchisee shall establish and maintain all safety and security precautions, rules and regulations at each job site in accordance with applicable law and to prevent accidents, injuries, and the loss of property Franchisee shall cause its employees and any subcontractors to comply with such safety precautions, rules and regulations Franchisee shall apply any monies received from customers for services, labor, materials or equipment only to such to services, labor, materials or equipment as designated by the customer pursuant to the written contract and in accordance with applicable law Franchisee shall not divert such customer funds to a use other than the use for which they were received Franchisor may terminate this Agreement if it is determined that Franchisee has applied customer funds in a manner inconsistent with this Section 13 9 or applicable law

13 10 Customer Satisfaction and Complaints

Franchisee must use its best efforts to achieve 100% customer satisfaction Franchisee must notify Franchisor within seven (7) calendar days of any written customer complaint, along with evidence of the resolution of such complaint If Franchisor deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene in order to satisfy the customer If Franchisee fails to provide Franchisor with notification of the receipt of a material and substantial complaint, Franchisor may impose a fine of up to one thousand dollars ($1,000), provided, however, if Franchisee determines that a complaint is initially not material and substantial and such complaint, over time, elevates to being material and substantial, Franchisor may impose a fine for not timely reporting such complaint If Franchisee repeatedly fails to provide Franchisor with notification of the receipt of a complaint, Franchisor has the right to terminate this Agreement pursuant to Section 16 1 1 of this Agreement Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing a customer of the Franchised Business pursuant to this Section

13 11 Uniforms

Franchisee shall abide by all uniform and dress code requirements stated in the Confidential Manuals or otherwise Uniforms must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms

13 12 Methods of Payment

Franchisor has the right to require Franchisee to accept certain methods of payment from customers As a result, Franchisee may be required, at its expense, to lease or purchase the necessary equipment and/or software and shall have arrangements in place with credit card issuers or servicing companies as Franchisor may designate, from time to time, to enable the Franchised Business to accept required methods of payment from its customers

13 13 E-Mail

Franchisee shall at all times maintain and use an e-mail address and account designated or provided by Franchisor for operating the Franchised Business, and shall follow all of Franchisor's rules and policies related to e-mail accounts and other electronic communications as stated in the Confidential Manuals and in this Agreement, including without limitation Section 21 1 Franchisee shall further maintain a backup email account for communicating with Franchisor in the event the primary system encounters problems

13 14 Best Efforts

Franchisee shall use its best efforts to promote and increase the sales and recognition of services offered through the Franchised Business Franchisee shall require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all products and services provided by the Solar Universe Businesses, including the Franchised Business operated by Franchisee

14 FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14 1 General Advice and Guidance

Franchisor shall be available to render advice, discuss problems and offer general guidance to Franchisee by telephone, e-mail, facsimile, newsletters and other methods with respect to planning, opening and operating the Franchised Business Franchisor shall not charge for this service, however, Franchisor retains the right to refuse, or charge a fee, for this service should Franchisee be deemed by Franchisor to be utilizing this service too frequently or in an unintended manner Franchisor's advice or guidance to Franchisee relative to prices for products and services that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating Solar Universe Businesses and an analysis of costs and prices charged for competitive products and services Franchisee shall have the right to determine the prices to be charged by the Franchised Business, provided, however, that Franchisor shall have the right to determine the prices to be charged for products and services offered and sold by Franchisor or through the Solar Universe Internet Site, including products or services sold to persons identified as customers of the Franchised Business Franchisor reserves the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements (e g , range of acceptability) with respect to the prices Franchisee may charge if Franchisor determines that such prices are exorbitant or otherwise outside of a reasonable market range

14 2 Periodic Visits

Franchisor or Franchisor's representative shall make periodic visits, which may be announced or unannounced, to the Franchised Business for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business In performing Franchisor's obligations in this Section 14 2, Franchisor may accompany Franchisee or Franchisee's employees to a customer's location to monitor Franchisee's business practices and dealings with customers Franchisor shall be allowed access to the Approved Location or any other place Franchisee is conducting its business under the same conditions as stated in Section 12 7 of this Agreement Franchisor and Franchisor's representatives who visit the Franchised Business may prepare, for the benefit of both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business A copy of any such written report shall be provided to Franchisee Franchisee shall implement any required changes or improvements as required by Franchisor with time being of the essence

15 INSURANCE

15 1 Types and Amounts of Coverage

At its sole expense, Franchisee shall procure, no later than sixty (60) days after the Effective Date and before the Franchised Business begins operations, and maintain in full force and effect during the term of this Agreement, the types of insurance listed below All policies (except any workers' compensation insurance) shall expressly name Franchisor as an additional insured or loss payee (on property coverage) and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure

15 1 1 "all risk" property insurance coverage on all business personal property, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business Franchisee's property insurance policy shall include an installation floater or builders risk coverage, as well as coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost,

15 1 2 workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of ONE MILLION DOLLARS ($1,000,000) or, if higher, the statutory minimum limit as required by state law,

15 1 3 comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate or, if higher, the statutory minimum limit required by state law,

15 1 4 automobile liability insurance for owned, non-owned and hired vehicles, with a combined single limit of at least one million dollars ($1,000,000) or, if higher, the statutory minimum limit required by state law, and

15 1 5 such insurance as required by any third party providing project financing, if such an engagement is permitted by Franchisor

15 2 <u>Future Increases</u>

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances

15 3 <u>Carrier Standards</u>

Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A VI" Rating Classification as indicated in the latest issue of <u>A M Best's Key Rating Guide</u>

15 4 <u>Evidence of Coverage</u>

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21 3 Franchisee shall provide to Franchisor, within fourteen (14) days of obtaining insurance, certificates of insurance with applicable endorsements showing compliance with the foregoing requirements Such certificates shall state that said policy or policies shall not be canceled for non-payment without at least ten (10) days prior written notice to Franchisor, and shall not be cancelled or materially altered for any other reason without at least thirty (30) days' prior written notice to Franchisor, and shall reflect proof of payment of premiums

15 5 <u>Failure to Maintain Coverage</u>

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice

16 DEFAULT AND TERMINATION

16 1 Termination by Franchisor

Franchisor shall have the right to terminate this Agreement only for "cause " "**Cause**" is defined as a default under this Agreement, including any provision of the Confidential Manuals, or any other agreement between Franchisor and Franchisee Franchisor shall exercise its right to terminate this Agreement upon written notice to Franchisee in the following circumstances and manners

16 1 1 Termination With Notice and Opportunity To Cure If Franchisor has Cause to terminate this Agreement because Franchisee has defaulted or otherwise breached any provision of this Agreement or the Confidential Manuals, or any other agreement between the parties, or any lease with a landlord, then Franchisor may terminate this Agreement if Franchisee does not fully cure that violation within five (5) days after notice in the case of any default in the timely payment of sums due to Franchisor (including any sums the due dates of which have been accelerated pursuant to Section 3 6), and within a reasonable time (not to exceed thirty (30) days) after notice for any other nonmonetary default Any breach of a real estate lease is considered to be a default under this Agreement, and the opportunity to cure is that which is provided for in the lease itself

16 1 2 Termination by Franchisor Immediately Upon Notice Notwithstanding the foregoing Section 16 2 1, Franchisor may terminate this Agreement effective immediately upon written notice if there exists any basis for termination without opportunity to cure under applicable law, or if Franchisee (or if Franchisee is an entity, any of its officers, shareholders, members, or general partners) (i) has misrepresented or omitted material facts in its application or other materials provided to Franchisor before the parties' entering into this Agreement, (ii) fails to complete satisfactorily any required training, (iii) becomes bankrupt or insolvent or otherwise is unable to pay its debts as they become due, (iv) makes an assignment for the benefit of creditors, has a receiver or similar custodian appointed, or makes a disposition of substantially all of its assets of the Franchised Business, or any of the assets of the Franchised Business are seized, taken over or foreclosed, or a condemnation or transfer in lieu of condemnation has occurred, (v) abandons the Franchised Business by failing to actively operate the Franchise for five consecutive days, or ceases to communicate with Franchisor for five (5) days, (vi) itself (or if an entity, any of its officers, shareholders, members, or general partners) is held liable for, is convicted of, or pleads guilty or no contest to a charge of violating a law relevant to the Franchised Business, (vii) commits a violation for the third time of any provision of this Agreement (whether or not the same material provision each time) within any twelve-month period, for which first two (2) violations Franchisor has given Franchisee written notices of default, (viii) allows a judgment against it in the amount of more than $25,000 to remain unsatisfied for a period of more than 30 days (unless an appeal has been filed and is in process), (ix) breaches or fails to comply with the provisions of Sections 7 1 or 7 3 of this Agreement, or improperly uses any of the Marks in violation of Sections 6 1 or 6 2 of this Agreement, (x) makes or attempts to make any assignment without the prior written consent of Franchisor or as otherwise provided for in this Agreement, (xi) fails to secure any license required to be obtained, or such license is suspended or terminated, or Franchisee otherwise fails to have employees or subcontractors obtain all necessary licenses and certifications required by law for individuals performing

solar installation services, (xii) applies or diverts customer funds in a manner inconsistent with state and local laws, (xiii) fails to select a site for the Franchised Business that meets with Franchisor's approval within ninety (90) days after the Effective Date, (xiv) fails to develop the Approved Location for the Franchised Business and/or the vehicle within one hundred twenty (120) days after the Effective Date or fails to commence operations of the Approved Location for the Franchised Business within one hundred eighty (180) days after the Effective Date, (xv) fails to accurately report sales, project information or customer data in compliance with Section 12 4 of this Agreement, (xvi) fails to meet the Sales Target established pursuant to Section 2 9 nine (9) times in any annual period (beginning on the Effective Date of this Agreement), or (xvii) the Franchised Business is ordered closed by any governmental agency responsible for enforcing health and safety regulations, or Franchisor determines that the Franchisee's operations are such that they may pose a significant risk to the health and safety of the Franchisee's customers, or to the reputation of the Franchisor or the franchise system

16 2 <u>Right of Franchisor to Discontinue Services to Franchisee</u>

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of default or notice of termination pursuant to Section 16 1, Franchisor has the right to suspend its provision of services and its performance of any of its obligations under this Agreement (or any other agreement between Franchisee and Franchisor or an Affiliate of Franchisor) including, without limitation, suspending access by Franchisee to any computer systems or software owned or managed by Franchisor and suspending the sale or supply of any products or services for which Franchisor is an Approved Supplier to Franchisee, until such time as Franchisee corrects the breach Franchisor agrees that it will not suspend access by Franchisee to any computer systems or software owned or managed by Franchisor unless Franchisee has failed to cure any such breach within the 30 days after Franchisor has given Franchisee notice of such breach

16 3 <u>Right of Franchisor to Operate Franchised Business</u>

Following the delivery of a notice of default or termination pursuant to Section 16 1, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume the operation or management of the Franchised Business (or the discrete department(s) of the Franchised Business affected by the breach) until such time as Franchisee corrects the breach Franchisor may charge a management fee as stated in the Confidential Manuals from time to time, currently equal to six hundred dollars ($600 00) per day and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business Nothing in this Section 16 3, or Franchisor's exercise of its rights hereunder, shall affect the relationship of the parties as stated in this Agreement, including without limitation in Section 21, without limiting the generality of the foregoing, nothing in this Section 16 3 or Franchisor's exercise of its rights hereunder shall be construed as an assumption of liability or responsibility by Franchisor for the debts, contracts, or other obligations of Franchisee

17 RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17 1 Actions to be Taken

Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall

17 1 1 immediately cease to operate the Franchised Business, including ceasing to access Franchisor's website, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor,

17 1 2 cease to use Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks,

17 1 3 upon demand by Franchisor, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the Approved Location to Franchisor and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due,

17 1 4 take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "Solar Universe®" or any other Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement,

17 1 5 pay all sums owing to Franchisor and any of its Affiliates (including any sums the due dates of which have been accelerated pursuant to Section 3 6) In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees with respect to litigation, arbitration, appellate or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by Franchisor as a result of any early termination of this Agreement, and any other amounts due to Franchisor or any of its Affiliates,

17 1 6 pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement,

17 1 7 immediately return to Franchisor the Confidential Manuals, and all Confidential Information including records, files, customer information, instructions, manuals, training materials, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee or relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property),

17 1 8 assign all telephone listings and numbers for the Franchised Business to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of

Franchisee's right to use any telephone numbers or facsimile numbers associated with the Franchised Business or the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to or at the direction of Franchisor, and

17 1 9 comply with all other applicable provisions of this Agreement

17 2 <u>Post-Termination Covenant Not to Compete</u>

17 2 1 Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity

> (a) own an interest in, manage, operate, assist or perform services for any Competitive Business located or operating (a) at the Approved Location, (b) within the greater of (i) a twenty-five (25) mile radius of the Approved Location or (ii) the Metro Service Area, or (c) within a twenty-five (25) mile radius of the location of any other Solar Universe Business in existence at the time of termination or expiration, or
>
> (b) solicit or otherwise attempt to induce or influence any customer, employee, franchisee, or other business associate of Franchisor to terminate or modify his, her or its business relationship with Franchisor or to compete against Franchisor

17 2 2 In furtherance of this Section, any holder of a legal or beneficial interest in Franchisee and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee shall execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2, upon execution of this Agreement or before each such person's affiliation with Franchisee Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Section

17 3 <u>Unfair Competition</u>

If, at any time, Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Sections 7, 17 1 or 17 2 If Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the system and any business subsequently operated by Franchisee or others at the Approved Location Franchisee shall make such specific additional changes to the Approved Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand

17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to take over this Franchise Agreement and run the Franchisee's REPOWER Business as a Franchisor-owned REPOWER Business or to purchase any or all assets of the Franchised Business including leasehold improvements, equipment, supplies, including solar photovoltaic panels, and other inventory, unless the Approved Location was Franchisee's principal residence and such fixtures are fixtures of the residence The purchase price shall be equal to the assets' fair market value as determined by an independent appraiser or as may be agreed to by Franchisor and Franchisee If the Franchisor and Franchisee cannot agree within a reasonable time (not to exceed fourteen (14) business days) on the fair market value, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination If the Franchisor and Franchisee are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by Franchisor and another independent appraiser shall be promptly designated by Franchisee, which two (2) appraisers shall, in turn, promptly designate a third appraiser, all three (3) appraisers shall promptly confer and reach a single determination, which determination shall be binding upon Franchisor and Franchisee The cost of any such appraisal shall be shared equally by Franchisor and Franchisee If Franchisor elects to exercise its right under this Section 17 4, Franchisor shall have the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price

17 5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire

18 TRANSFERABILITY OF INTEREST

18 1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred, provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement

18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Business, the assets of the Franchised Business, or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor (a "**Transfer**") Any purported Transfer without such approval shall be null and void and shall constitute a material breach of this Agreement If Franchisee is in compliance with this Agreement, Franchisor's consent to such Transfer shall be conditioned upon the satisfaction of the following requirements

18 2 1 Franchisee has complied with the requirements set forth in Section 19,

18 2 2 all obligations owed to Franchisor and Affiliates of Franchisor, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied,

18 2 3 Franchisee (and any transferring and remaining owners, if Franchisee is a business entity) has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the Transfer, provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law,

18 2 4 the prospective transferee has demonstrated to Franchisor's satisfaction, through appropriate documentation or otherwise, that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Franchised Business,

18 2 5 the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Marketing Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement,

18 2 6 the transferee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee,

18 2 7 Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation, including financial documentation and any due diligence materials, between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise and will provide Franchisor with final contracts, agreements, and related documentation after the transfer is complete,

18 2 8 Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of five thousand dollars ($5,000 00), or $500 if the prior year's Gross Sales exceeded $5,000,000,

18 2 9 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by Franchisor,

18 2 10 Franchisee has agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor,

18 2 11 the transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied,

18 2 12 Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17, and

18 2 13 the transferee agrees that its Designated Manager shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8 before assuming the management of the day-to-day operation of the Franchised Business

18 3 <u>Transfer to a Controlled Entity</u>

18 3 1 If Franchisee proposes a Transfer to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("**Controlled Entity**"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such Transfer shall be conditioned upon the satisfaction of the following requirements

(a) the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Franchised Business,

(b) Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity,

(c) all obligations of Franchisee to Franchisor or any of Franchisor's Affiliates are fully paid and satisfied, provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18 2 8,

(d) the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor before consent by Franchisor,

(e) all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement,

(f) each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement, and

(g) copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption

18 3 2 The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights

18 3 3 Franchisor's consent to a Transfer shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement

18 4 Franchisor's Disclosure to Transferee

Franchisor has the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Business by an intended transferee identified by Franchisee

18 5 For-Sale Advertising

Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder

18 6 Transfer Upon Death or Incapacity

18 6 1 Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised Business or in Franchisee to a third party approved by Franchisor

Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and Transfers contained in this Agreement, unless prohibited by the laws of the state wherein Franchisee resided, with such choice of law provision being applicable only for this Section 18 6 During such one hundred eighty (180) day period, the Franchised Business must remain at all times under the primary management of a Designated Manager who otherwise meets Franchisor's management qualifications

18 6 2 Following such a death or Incapacity of such person as described in this Section 18 6, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor Franchisor may charge a management fee as stated in the Confidential Manuals from time to time, currently equal to six hundred dollars ($600 00) per day, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business

19 <u>RIGHT OF FIRST REFUSAL</u>

19 1 <u>Submission of Offer</u>

If Franchisee, or any of its owners, proposes a Transfer (including a transfer by death or Incapacity pursuant to Section 18 6), Franchisee shall obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor The offer must apply only to an approved sale of the assets or interests described in Section 18 2 above and may not include any other property or rights of Franchisee or any of its owners

19 2 <u>Franchisor's Right to Purchase</u>

Franchisor shall, for sixty (60) days from the date of delivery of all the pertinent documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty (60) days to close the purchase Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal

19 3 <u>Non-Exercise of Right of First Refusal</u>

If Franchisor does not exercise its right of first refusal within sixty (60) days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18 2 Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor, or should the terms of the sale be modified, Franchisee must provide immediate notification of such modification or failure to close, and in the case of either a modification or a failure to close, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section

20 BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Exhibit 4 are the sole holders of a legal or beneficial interest (in the stated percentages) of Franchisee Franchisee must update Exhibit 4 immediately upon any change or modification of either (a) the individuals listed on Exhibit 4, or (b) the percentage of legal or beneficial interest of each individual Any modification of Exhibit 4, or changes to the ownership of Franchisee, must be approved in advance by Franchisor and comply with the terms of this Agreement, including without limitation, Section 18 2 of this Agreement if applicable Franchisee shall also identify the initial Designated Manager on Exhibit 4

21 RELATIONSHIP AND INDEMNIFICATION

21 1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Franchised Business operating the Franchised Business pursuant to a franchise from Franchisor Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery, emails, business cards or other written materials, including all signage, the content of which Franchisor has the right to specify Franchisee shall at all times comply with Franchisor's rules and policies stated in this Agreement and the Confidential Manuals regarding proper identification of the Franchised Business in legal agreements, documents submitted to any governmental agency, fictitious business names (i e dba's), and any other type of public or third party communication Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business Any third party contractors and vendors retained by Franchisee to perform any task related to the Franchised Business, if any, are independent contractors of Franchisee alone

21 2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation

21 3 Indemnification

21 3 1 Franchisee shall hold harmless, defend and indemnify Franchisor, any of Franchisor's Affiliates, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "**Franchisor Indemnitees**") from and against all losses, damages, fines, taxes, costs, expenses or liability (including but not limited to reasonable attorneys' fees and all other costs of litigation or dispute resolution) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchised Business, (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule, (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate of Franchisor), (d) defamation of Franchisor or the System, (e) acts, errors or omissions committed or incurred in connection with the Franchised Business, including any negligent or intentional acts, or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of Confidential Information The obligations of this Section 21 3 shall expressly survive the termination of this Agreement,

21 3 2 Franchisor may, from time to time, suggest various products for use in the Franchised Business that may include, but are not limited to, modules, inverters, wiring and racking systems, and Franchisor makes no representations or warranties with regard to any recommended products, whereas Franchisee assumes all shipping liability with regard to products shipped, and it is the sole liability and responsibility of Franchisee to ensure the completed projects installed at the customer's premises are safe, operational, and comply with all applicable building codes as Franchisor assumes no liability whatsoever on the installation technique, individual products, completed products or performance of any solar or energy products installed at the customer's premises,

21 3 3 Franchisor assumes no liability if Franchisee fails to obtain insurance as required by Franchisor in this Agreement or otherwise in writing, and Franchisee shall indemnify Franchisor for any amounts paid on behalf of Franchisee's failure to obtain such insurance, and

21 3 4 The obligations in this Section shall expressly survive the termination of this Agreement

21 4 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for defense or indemnification by a Franchisor Indemnitee Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred If Franchisor's exercise of its rights under this

Section causes any of Franchisee's insurers to refuse to pay a third party claim, all causes of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee

22 GENERAL CONDITIONS AND PROVISIONS

22 1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement

22 2 Notices

Any notice, demand, request, consent, approval confirmation, communication or statement which is required or permitted under this Agreement shall be in writing and shall be given or delivered by personal service, facsimile (or other reasonably reliable electronic communication system), Federal Express or comparable overnight delivery service, or by deposit in the United States Post Office, postage prepaid, by registered or certified mail, addressed to the Party receiving notice as specified below, which shall be updated by the Parties as required Changes in such address and/or contact persons named shall be made by notice similarly given Notices given by personal service or sent by facsimile (or other reasonably reliable electronic communication system) shall be deemed given the day so given or sent Notices mailed or sent by a delivery service or by registered or certified mail as provided herein shall be deemed given on the third Business Day following the date so mailed or on the date of actual receipt, whichever is earlier

FRANCHISOR
Solar Universe, Inc
Attn President
1152 Stealth Street
Livermore, California 94551

FRANCHISEE

____
____
____
____

22 3 Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater, shall be required to execute the Unlimited Guaranty and Assumption of Obligations attached as Exhibit 3, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same

22 4 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval

22 5 Entire Agreement

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Franchisee Franchisee acknowledges that Franchisee is entering into this Agreement as a result of its own independent investigation of the Franchised Business and not as a result of any representations about Franchisor made by its shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus or other similar document required or permitted to be given to Franchisee pursuant to applicable law Except as otherwise specifically provided herein, this Agreement may not be amended or modified without the written consent of both parties

22 6 Severability and Modification

22 6 1 Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties, and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement

22 6 2 Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to

provide for limitations on disclosure of Confidential Information or on competition to the maximum extent provided or permitted by law

22 7 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof

22 8 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay This clause shall not result in an extension of the term of this Agreement

22 9 Timing

Time is of the essence Except as set forth in Section 22 8, failure to perform any act within the time required or permitted by this Agreement shall be a material breach

22 10 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to an Affiliate of Franchisor Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor

22 11 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement

22 12 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement

23 DISPUTE RESOLUTION

23 1 Good Faith Effort to Resolve Dispute

Before the initiation of any non-binding mediation or arbitration proceeding as set forth in Sections 23 2 and 23 3, any dispute shall first be discussed in a face-to-face meeting between Franchisee and Franchisor, each authorized to make binding commitments on behalf of their respective parties This meeting shall be held in person at Franchisor's then-current headquarters within thirty (30) days after the date of written notice given by either Franchisee or Franchisor to the other proposing such a meeting, unless Franchisor and Franchisee agree otherwise in writing Franchisor and Franchisee agree that the written notice proposing such a meeting shall be subject to, and shall be dated before, the expiration of the limitations period as dictated by applicable law or the one (1) year period set forth in Section 23 6, whichever expires earlier

23 2 Mediation

Except for such claims and disputes described in Section 23 4, the parties agree that with respect to all disputes between the parties (or involving any of the officers, directors, owners, shareholders, agents, employees, Affiliates and/or guarantors of any party), they will first attempt to settle the dispute pursuant to mediation conducted in accordance with the commercial mediation rules of the Judicial Arbitration & Mediation Services, Inc The mediation shall last for at least one-half day and each party shall have present a representative with authority to make settlement decisions on its behalf The mediation shall be conducted in the location as provided in Section 23 9, and shall be conducted within forty-five (45) days following the date either party first submits a written request for mediation to the mediation service The mediation shall be conducted on an individual basis and may not be consolidated with any other mediation proceeding If the parties fail to resolve the dispute through mediation, either party may initiate arbitration proceedings in accordance with Section 23 3 Franchisee expressly agrees not to commence any arbitration proceeding until mediation has been concluded The fees and expenses of the mediation service, including the mediator, shall be shared equally by the parties The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties shall not be discoverable or admissible in any legal proceeding for any purpose, provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation

23 3 Arbitration

Except for such claims and disputes described in Section 23 4, all disputes and claims subject to mediation which are not resolved as a result of mediation conducted under Section 23 2 must be resolved by binding arbitration conducted before a single impartial arbitrator and administered by the American Arbitration Association ("AAA") The arbitration shall be conducted in Alameda County, California, unless Franchisor is later headquartered in another city or county The arbitrator shall be solely empowered to determine the arbitrability of any dispute, including the validity, legality, and enforceability of the arbitration provision of this Agreement The United States Federal Arbitration Act (9 U S C § 1 et seq), and not any state or foreign arbitration law, governs the matters relating to arbitration under this Agreement, and the arbitration shall be conducted in accordance with the AAA's then current Commercial Arbitration Rules, except, however, and to the extent the arbitrator determines the following restrictions are lawful, (a) any arbitration must be conducted on an individual, and not a class-wide, basis, and an arbitration proceeding between Franchisor and Franchisee, including our respective Affiliates, owners, guarantors, shareholders, officers, directors, agents and employees, may not be consolidated with any other arbitration proceeding, (b) any claim or defense asserted or pleaded in the arbitration proceedings by any party must specifically describe or set-forth the factual basis for the claim or defense and the arbitrator shall not consider any claim or defense pleaded in conclusory fashion, (c) the arbitrator shall allow the parties such discovery as he/she thinks is reasonable, but may restrict any discovery the arbitrator determines is unreasonably burdensome given the nature of the case and the amount that may be in controversy, (d) the arbitrator may grant full or partial relief on a motion for summary judgment addressed to the arbitrator, who shall hear such motion in accordance with the requirements of Rule 56 of the Federal Rules of Civil Procedure, and (e) unless resolved by summary judgment, the arbitrator will schedule a final evidentiary hearing no later than six months after the appointment of the arbitrator, unless the parties agree to a different period, or the arbitrator determines that a final hearing cannot be fairly conducted within such period of time Notwithstanding the foregoing or anything to the contrary in this Section, if any arbitrator determines that subsection (a) of this Section 23 3 is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding Other than as may be required by law, the entire arbitration proceeding (including, but not limited to, any rulings, decisions or orders of the arbitrator) shall remain confidential and not be disclosed to anyone other than the parties to this Agreement

23.4 <u>Non-Arbitrable Disputes</u>

Notwithstanding the provisions of Section 23 2 and 23 3, the following claims may be commenced in a judicial proceeding without resort to mediation or arbitration (a) any claim asserted by any party based on any alleged violation of the Lanham Act, or the misuse or unauthorized use of any trademark or service mark, or (b) any action commenced by any party that seeks only a temporary restraining order, preliminary injunction, or other interlocutory remedy to protect any party from incurring or sustaining irreparable injury or harm pending the outcome of any claim subject to mediation and arbitration

23 5 <u>Compulsory Counterclaims</u>

In any arbitration proceeding, a party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates If a party does not submit a claim as required by the preceding sentence, then such claim is forever barred

23 6 <u>Limitation of Claims</u>

Except for claims arising from Franchisee's non-payment or underpayment of amounts owed to Franchisor, any and all claims arising out of or relating to this Agreement or the parties' relationship are barred unless a judicial or mediation/arbitration proceeding, as applicable, is commenced within one (1) year after the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims Franchisor and Franchisee, however, are bound by the provisions of any limitation period in which claims must be brought under the previous sentence or applicable law, whichever expires earlier, provided, however, that the one-year period for commencing an arbitration shall be tolled for a period not to exceed thirty (30) days while the parties seek to resolve the dispute under Section 23 1 if the notice required under Section 23 1 is given before the expiration of the one (1) year period referred to in this Section

23 7 Power of Arbitrator, Waiver of Exemplary and Punitive Damages

In any arbitration of a dispute, the arbitrator may award appropriate relief, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided, however that the arbitrator may not declare any Marks generic or otherwise invalid The arbitrator may not, however, award exemplary or punitive damages, and Franchisee and Franchisor each waive any right to seek or obtain any award for exemplary or punitive damages, except as expressly provided in Section 23 11 below

23 8 Compensation of Mediator and Arbitrator

Franchisor and Franchisee shall share equally the fees and expenses, including mediator or arbitrator fees, of any mediation or arbitration service selected or appointed under this Section 23 As soon as practicable after selection of the neutral, the neutral or the neutral's designated representative shall determine a reasonable estimate of the neutral's anticipated fees and costs, and send a statement to each party setting forth that party's equal share of the fees and costs Each party shall, within ten (10) days after receipt of the statement, deposit the required sum with the neutral Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any mediation or arbitration proceeding in order for such mediation or arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished Franchisor's right to seek the recovery of those costs

23 9 Venue, Jurisdiction, and Jury Waiver

The venue and exclusive forum of any mediation, arbitration or judicial proceedings shall be Alameda County, California, unless Franchisor is later headquartered in another city or county, in which event the venue and exclusive forum for any such proceedings shall be in such other city or county Franchisee irrevocably submits to jurisdiction of the state or federal court in or for Alameda County, California, or the city or county where Franchisor's headquarters is located if the headquarters is later located in another city or county, and waives any objection it may have to either the jurisdiction or venue of such court EACH PARTY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT

23 10 Choice of Law

The United States Federal Arbitration Act (9 U S C § 1 et seq), and not any state or foreign arbitration law, governs the matters relating to arbitration under this Agreement Unless the dispute is subject to federal law, all disputes arising under or relating to this Agreement shall be subject to California law, without regard to its conflict of laws rules, except, however, if Franchisee is located in a state other than California, then all disputes pertaining to or relating to the legality, construction, or enforcement of any covenant against competition (including without limitation Section 7 3 and Section 17 2) will be resolved under the law of the state in which the Franchisee is located Nothing in this

Section 23 10 is intended by the parties to subject this Agreement to any franchise or similar law, rule or regulation to which this Agreement would not otherwise be subject, and no such law, rule or regulation shall apply unless its jurisdictional, definitional and other requirements are met independently without reference to this Section

23 11 Punitive and Exemplary Damages

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR FOR THIRD PARTY CLAIMS UNDER SECTION 21 3, FRANCHISOR AND FRANCHISEE WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, EACH PARTY SHALL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS

23 12 Attorneys Fees and Other Expenses

The prevailing party in any arbitration, suit or other action arising out of or related to this Agreement is entitled to recover its reasonable fees, costs and expenses relating to the arbitration, suit, action or the dispute, including reasonable judicial and extra-judicial attorneys' fees, expenses, expert witness fees, and other costs and expenses relating to any mediation or any appeal In addition, if Franchisor incurs costs and expenses due to Franchisee's failure to pay when due amounts owed to Franchisor, to submit when due any reports, information, or supporting records, or otherwise comply with this Agreement, Franchisee agrees, whether or not Franchisor initiates any action or proceeding, to reimburse Franchisor for all of the costs and expenses that Franchisor incurs, including, without limitation, reasonable accounting, attorneys', mediators', arbitrators' and related fees

FRANCHISEE ACKNOWLEDGES THAT IT HAS READ THE TERMS OF THIS BINDING ARBITRATION PROVISION, THE WAIVER OF TRIAL BY JURY, AND ALL OTHER PROVISIONS OF THIS SECTION 23, AND AFFIRMS THAT THESE PROVISIONS ARE ENTERED INTO WILLINGLY AND VOLUNTARILY AND WITHOUT ANY FRAUD, DURESS OR UNDUE INFLUENCE ON THE PART OF FRANCHISOR OR ANY OF FRANCHISOR'S AGENTS OR EMPLOYEES

24 ACKNOWLEDGMENTS

24 1 Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement Franchisee represents and acknowledges that it has received, at least fourteen (14) calendar-days before the date on which this Agreement was executed, the Disclosure Document required by the Federal Trade Commission's Amended FTC Franchise Rule

24 2 <u>Consultation by Franchisee</u>

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so

24 3 <u>True and Accurate Information</u>

Franchisee represents that as of the Effective Date all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information

24 4 <u>Risk</u>

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a Solar Universe Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby

24 5 <u>No Guarantee of Success</u>

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business Franchisee represents and acknowledges that there have been no representations by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement

24 6 <u>No Violation of Other Agreements</u>

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party

(Signatures appear on next page)

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement

SOLAR UNIVERSE, INC

By ______________________________

Name Printed ______________________________

Title ______________________________

FRANCHISEE ______________________________
(type/print name)

By ______________________________

Name ______________________________

Title ______________________________
[or, if an individual]

Signed ______________________________

Name Printed ______________________________

EXHIBIT 1 TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this _ day of ____________, 20___ by ___ ____, ("**RELEASOR**") an individual/corporation/ limited liability company/partnership with a principal address of ______________________________ ________________________________, in consideration of

______the execution by Solar Universe, Inc , a Delaware corporation ("**RELEASEE**"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "**Franchise**") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "**Franchise Agreement**") between RELEASOR and RELEASEE, or

______RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement, or

______RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement,

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR, for itself and its directors, officers, owners, shareholders, partners, members, representatives, employees, agents, accountants and attorneys, and for each and all of RELEASOR's affiliates and related entities and such affiliates and related entities' directors, officers, owners, shareholders, partners, members, representatives, employees, agents, accountants and attorneys, together with the predecessors, successors, heirs and assigns of any and all of them (individually, collectively and in any combination, the "**Releasing Parties**") hereby release and forever discharge RELEASEE and each and all of RELEASEE's directors, officers, owners, shareholders, partners, members, representatives, employees, agents, accountants and attorneys, and each and all of RELEASEE's affiliates and related entities and such affiliates and related entities' directors, officers, owners, shareholders, partners, members, representatives employees, agents, accountants and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (individually, collectively and in any combination, the "**Parties Released**"), from and against any and all suits, claims, controversies, rights, promises, debts, liabilities, losses, demands, obligations, damages, expenses, costs, actions and causes of action whatsoever, of any nature, kind, character or description, whether known or unknown, contingent or fixed, suspected or unsuspected, whether in tort, in contract, at law, in equity, or otherwise, as to law or fact or both, which the Releasing Parties now own or hold or have at any time heretofore owned or held, or may at any time in the future own or hold against the Parties Released, arising before and including the date of this General Release (the "**Claims**"), <u>it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Parties Released are hereby forever canceled and forgiven</u>

THE RELEASING PARTIES ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR "

THE RELEASING PARTIES, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR JURISDICTIONS OF RELEASOR'S RESIDENCE AND LOCATION OF THE FRANCHISE

The Releasing Parties represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims, all Claims having been fully and finally extinguished, and the Releasing Parties agree to forever indemnify and hold the Parties Released harmless from any liabilities, claims, losses, demands, damages, obligations, costs, or expenses, including attorneys' fees incurred therewith, incurred by any of the Parties Released as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise

The Releasing Parties expressly assume the risk of any mistake of fact of which it may be unaware or that the true facts may be other than any facts now known or believed to exist by the Releasing Parties, and it is the Releasing Parties/ intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this General Release without regard to who may or may not have been correct in their understanding of the facts, law or otherwise The Releasing Parties represent and warrant that they have made such independent investigation pertaining to all matters discussed, referred to or released in or by this document as the Releasing Parties, in the Releasing Parties' independent judgment, believe necessary or appropriate The Releasing Parties have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Parties Released or anyone else, not expressly set forth herein, in executing this document and/or the related releases

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written

RELEASOR ____________________________
(type/print name)

By ____________________________

Name ____________________________

Title ____________________________
(or, if an individual)

Signed ____________________________

Name Printed ____________________________

<u>**EXHIBIT 2 TO THE FRANCHISE AGREEMENT**</u>

NONDISCLOSURE AND NON-COMPETITION AGREEMENT

This "Agreement" made as of the ___________ day of _____________, 20___ is by and between ____, ("**Franchisee**") (d b a _____________ ____________) and ____ ("**Individual**")

WITNESSETH

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated __________ ______, 20___ ("**Franchise Agreement**") by and between Franchisee and Solar Universe, Inc ("**Company**"), and

WHEREAS, Franchisee desires Individual to have access to and review certain Confidential Information, which are more particularly described below, and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement before providing Individual access to said Confidential Information, and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) (a) solar equipment, (b) energy consulting, or (c) provision of products and services that are the same or similar to those provided by Solar Universe Businesses in which Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "**Competitive Business**"), provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company

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

1 <u>**Confidential Information**</u>

Individual understands Franchisee possesses and will possess Confidential Information that is important to its business

a) For the purposes of this Agreement "**Confidential Information**" means all business, technical and non-technical data and information disclosed directly or indirectly in writing, orally, or by inspection of facilities or tangible objects (including but not limited to, data and information pertaining to or regarding business plans, operations, products, pricing, marketing, financing, funding, costs, sales, strategies, contracts, supplies, equipment, actual or potential customers, partners, employees, know-how, training, trade secrets, methods, techniques, processes, passwords, technology, computer programs (functionality and code), and software, as well as other non-public information obtained from third parties which Company treats as confidential), used in or related to Solar Universe Businesses and not commonly known by or available to the public, including, without limitation, information identified or labeled as confidential or proprietary when delivered by Franchisee or Company

b) Any information expressly designated by Company or Franchisee as "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Confidential Information Individual understands Franchisee's providing of access to Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Confidential Information

2 **Confidentiality/Non-Disclosure**

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

b) Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Solar Universe Business

3 **Protection of Business Interests / Non-Competition**

a) During the term of Individual's relationship with Franchisee and for a period of two (2) years after the termination or expiration of Individual's relationship with Franchisee, regardless of the cause of termination, Individual shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or customer of Franchisee to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Company's service mark "Solar Universe®" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with Solar Universe Businesses or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of Solar Universe Businesses

b) During the term of Individual's relationship with Franchisee and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, assist, render services to, or own or share in the earnings of any Competitive Business anywhere within the United States without the express written consent of Franchisee

c) During the term of Individual's relationship with Franchisee and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other Solar Universe Business to compete against, or terminate or modify his, her or its employment or business relationship with, Franchisee, Company or any other Solar Universe Business

4 **<u>Reasonableness of Restrictions</u>**

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought

5 **<u>Relief for Breaches</u>**

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

6 **<u>Miscellaneous</u>**

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee

b) Except to the extent this Agreement or any particular dispute is governed by the U S Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the state in which the Franchised Business is located References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time References to a governmental agency also refer to any regulatory body that succeeds the function of such agency

c) Any action brought by either party, shall only be brought in the appropriate state or federal court where the Franchised Business is located The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision Claims for injunctive relief may be brought by Company where Franchised Business is located This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction

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

e) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns Company is an intended third-party beneficiary of this Agreement with the independent right to enforce all of the provisions contained herein

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

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

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

i) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company

j) The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement

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

l) This Agreement may be executed in counterparts, each of which shall be an original, and all of which shall constitute together but one and the same document This Agreement may be executed by facsimile or similar electronic means (e g PDF), with each signature being as binding and enforceable as an original

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

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY

IN WITNESS WHEREOF, Franchisee has caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement as of the day and year first above written

FRANCHISEE	**INDIVIDUAL**
Signature	Signature
Name Printed	Name Printed
Title	Title

EXHIBIT 3 TO THE FRANCHISE AGREEMENT

UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

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

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated ________ herewith ("**Agreement**") by Solar Universe, Inc ("**Franchisor**"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that ______________ __________ ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7 and 17 of the Agreement

Upon demand by Franchisor, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guarantee, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor, (ii) any right to require Franchisor to (a) proceed against Franchisee for any payment required under the Agreement, (b) proceed against or exhaust any security from Franchisee, (c) take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guarantee, or (d) pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee, (iii) any benefit of, any right to participate in, any security now or hereafter held by Franchisor, and (iv) acceptance and notice of acceptance by Franchisor of the undersigned's undertakings under this Guarantee, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, and notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which any of the undersigned may be entitled Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, assign the Agreement or the right to receive any sum payable thereunder, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement Franchisor shall have no present or future duty or obligation to the undersigned under this Guarantee, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to Franchisor

Each of the undersigned consents and agrees that (a) its direct and immediate liability under this Guaranty shall be joint and several, (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so, (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity, and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written

Successors and Assigns, Death of Guarantor This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of California (without giving effect to principles of conflicts of law)

All disputes arising out of or otherwise relating to this Guaranty shall be subject to the dispute resolution provision contained in Section 23 of the Franchise Agreement between Franchisor and Franchisee, including all provisions relating to the mandatory resolution of disputes by mediation and arbitration Guarantor hereby irrevocably consents to venue such dispute resolution in Alameda County, California, unless Franchisor is later headquartered in another city or county, in which event the exclusive venue for any such proceedings shall be in such other city or county, and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Guaranty or any of the other Franchising Agreements or in any way connected with or related or incidental to the dealings of Guarantor and Franchisor in respect of this Guaranty or any of the other Franchising Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between Guarantor or Franchisee and Franchisor or the conduct of any such persons in connection with this Guaranty, the other Franchising Agreements or otherwise shall be heard only in the courts described above (except that Franchisor shall have the right to bring any action or proceeding against Guarantor or his or her property in the courts of any other jurisdiction which Franchisor deems necessary or appropriate in order to realize on any collateral at any time granted by Franchisee or Guarantor to Franchisor or to otherwise enforce its rights against Guarantor or his or her property)

[Signatures appear on following page]

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO

PERCENTAGE OF OWNERSHIP IN FRANCHISEE %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO

PERCENTAGE OF OWNERSHIP IN FRANCHISEE %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO

PERCENTAGE OF OWNERSHIP IN FRANCHISEE %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO

PERCENTAGE OF OWNERSHIP IN FRANCHISEE %

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE, OFFICERS, DIRECTORS, DESIGNATED MANAGER

Holders of Legal or Beneficial Interest

Name ______________________

Position/Title ______________________

Home Address ______________________

____

____

Telephone No ______________________

E-mail Address ______________________

Percentage of Ownership % ______________________

Name ______________________

Position/Title ______________________

Home Address ______________________

____

____

Telephone No ______________________

E-mail Address ______________________

Percentage of Ownership % ______________________

Name ______________________

Position/Title ______________________

Home Address ______________________

____

____

Telephone No ______________________

E-mail Address ______________________

Percentage of Ownership % ______________________

Name ______________________

Position/Title ______________________

Home Address ______________________

____

____

Telephone No ______________________

E-mail Address ______________________

Percentage of Ownership % ______________________

Officers and Directors.

Name	Name
Position/Title	Position/Title
Home Address	Home Address
Telephone No	Telephone No
E-mail Address	E-mail Address
Percentage of Ownership %	Percentage of Ownership %

Name	Name
Position/Title	Position/Title
Home Address	Home Address
Telephone No	Telephone No
E-mail Address	E-mail Address
Percentage of Ownership %	Percentage of Ownership %

Designated Manager

Name

Home Address

Telephone No

E-mail Address

EXHIBIT 5 TO THE FRANCHISE AGREEMENT

SOLAR UNIVERSE
SUPPLY AGREEMENT
(TERMS AND CONDITIONS OF SUPPLY RELATIONSHIP)

Solar Universe, Inc ("**SUN**") and ____________________ ("**Franchisee**") agree to the following

All orders from Solar Universe, Inc ("**SUN**"), are subject to the following terms and conditions hereof (the "**Supply Agreement**") By accepting this Supply Agreement Franchisee agrees to be bound thereby If the terms of this Supply Agreement contradict the terms of the Franchise Agreement, the Franchise Agreement shall control, and the terms of this Supply Agreement shall control over any contract terms contained in any purchase order or order acknowledgment from Franchisee

1 PRICE AND TERMS OF PAYMENT

1 1 Pricing Unless otherwise stated in this Agreement, pricing will be SUN's posted pricing as stated on the shared document hosted on SUN's internet based platform, titled "SUN Panels, Inverter Pricing" at the time the project is changed to "Order Approved" in the Salesforce system However, if SUN's supplier makes a last minute change to pricing, before the order being placed from SUN to supplier, then the current pricing shall be charged

1 2 Payment Terms Franchisee will pay SUN in US dollars according to the price and net terms on the supplier pricing spreadsheet published on SUN's internet based platform An invoice will be created for each shipment of product to Franchisee The date of each invoice will be the date the product is shipped, and the payment due date will be as stated on the invoice Franchisee shall adhere to the order procedures and credit terms stated in the Confidential Operations Manual or otherwise provided in writing by SUN SUN, however, retains the right to change credit terms at any time

1 3 Past Due Accounts Past due accounts are subject to a monthly interest charge of 1 5% (18% annual interest rate) of the invoice amount (subject to applicable law) All finance charges for overdue payments will be assessed on the Franchisee's monthly statements, and shall be due upon receipt

2 TAXES

2 1 Taxes Unless otherwise indicated, no sales, use, retailer occupation, service, occupation, service use, or similar taxes are included in SUN's prices Franchisee agrees to pay any taxes which are paid or payable, or assessed in connection with any order

3 SHIPMENT

3 1 Shipment Terms Unless otherwise stated in this Supply Agreement or as agreed upon in writing by SUN, all shipments are FOB (Origin) according to International Commercial Terms (Incoterms)

3 2 **Packing and Shipping** SUN or SUN's suppliers will pack and ship products delivered hereunder in accordance with its general practice unless specific instructions are supplied by Franchisee and agreed to by SUN Any additional costs incurred by SUN as a result of special packaging and/or shipping requests will be paid by entirely by Franchisee

4 SECURITY INTEREST

4 1 **Purchase Money Security Interest** SUN or its assigns shall have purchase money security interest in the products purchased hereunder until all charges including installation and/or service charges, if any, are paid in full Franchisee agrees to convey power of attorney to SUN for the sole purpose of execution of documents necessary to perfect the purchase money security interest Further, Franchisee agrees to execute and deliver, so that SUN may file or record any documents reasonably requested by SUN for the purpose of protecting and/or perfecting said security interest

5 TITLE AND RISK OF LOSS

5 1 **Title and Risk of Loss** Title and risk of loss shall pass to Franchisee upon delivery to the carrier by SUN

6 EQUIPMENT WARRANTY

6 1 **SUN Warranty** SUN makes no warranty of any kind, including any express warranty, or implied warranty of merchantability or fitness for a particular purpose regarding any goods sold under this Agreement However, certain manufacturers of goods may provide warranties regarding products they have manufactured and produced It is the intent of the parties that Franchisee (and its customer) may rely on any such manufacturer's warranty, and as a result, SUN hereby extends to Franchisee on a 'pass through basis, any warranty provided by the manufacturer of goods purchased under this Agreement It is Franchisee's responsibility to comply with any conditions or limitations associated with the manufacturer's warranty, and SUN shall have no liability to Franchisee for damages or loss of any kind (regardless of the form of action, whether in contract, tort, or statutory claim) based on or arising out of any defect or any kind that may exist with respect to any goods sold under this Agreement

6 2 **Manufacturer Warranty Coverage** Warranty coverage, claim procedures, and coverage period varies by product manufacturer Franchisee is solely responsible for warranty compliance SUN will intervene on the Franchisee's behalf in order to ensure supplier and manufacturer performance expectations are being adhered to, provided the Franchisee has taken all necessary steps to comply with manufacturer's warranty terms

6 2 **Franchisee Indemnity** Franchisee hereby agrees to indemnify and hold harmless SUN and its affiliated companies against any claims, losses, damages, or expenses arising from Franchisee's failure to comply with warranty information provided by OEM or Supplier

7 RETURNED GOODS

7.1 **Return Policy** No goods will be accepted for return by SUN unless prior written authorization (via email or fax) is obtained from SUN

7 2 **Re-stocking fees** Once materials are received by Franchisee, SUN will pass through supplier fees associated with return of product for re-stocking Re-stocking fees will vary with different products and vendors and will be passed on as invoiced from suppliers Furthermore, SUN will charge a re-stocking fee of 15% of material value for items purchased directly from SUN inventory for re-stocking

8 CHANGES AND ALLOCATION

8 1 **Specialized Product Orders** If a SUN quotation is premised on products to be Franchisee designed and produced or outsourced for special application, the quoted price is applicable unless the specifications are changed by the Franchisee Such changes in specifications must be agreed to in writing by SUN before acceptance Any changes in specification may incur additional cost which will be paid for by Franchisee

8 2 **Supply** If any goods or products offered by SUN are not in sufficient supply to fulfill all orders, SUN may allocate the available supply among itself and others in any way SUN deems appropriate, and/or substitute substantially equivalent products, which may result in Franchisee not receiving any allocation of certain goods or products as a result of a shortage

9 FAILURE TO PAY

9 1 **Remedies for Breach of Payment Terms** In the event Franchisee fails to fulfill the terms of payment or if SUN shall have any doubt at any time as to Franchisee's financial responsibility, SUN may decline to make any further deliveries except upon prior receipt of payment in cash or other security satisfactory to SUN and SUN may accelerate any due dates of any amounts owed, and may suspend any further deliveries until all amounts due to SUN (whether or not the original due dates have passed) have been paid In addition, SUN shall have all rights and remedies at law or equity available under California law to collect any unpaid amounts owed by Franchisee Franchisee hereby agrees to indemnify and hold harmless SUN and its affiliated companies against any claims, losses, damages, or expenses arising from a refusal to make deliveries resulting from Franchisee's failure to pay as described herein

10 CANCELLATION AND RETURNS

10 1 **Order Cancellation** Order cancellation is subject to terms provided by SUN suppliers, as listed on the shared document hosted on SUN's internet based platform, titled SUN Panels, Inverter Pricing Except as agreed to by Franchisee and SUN in writing, Franchisee may cancel orders for products specifically identified in the SUN pricing schedules (stock products) before the equipment shipping

10 2 **Other Cancellation** Franchisee may terminate or cancel an order if SUN fails to perform or observe any material terms or conditions of the order and such failure shall continue un-remedied for 30 days after receipt of written notice of the default from Franchisee This includes delivery delay of greater than 30 days

10 3 **Inspection** Franchisee shall have two (2) days from the date of receipt of any shipped product to (a) inspect, at its own cost, the product to determine its conformity to the purchase order and that the product is free from any defects or damage, (b) notify SUN in writing of any nonconformity of the shipment and/or damaged or defective product, and (c) notify SUN in writing of its revocation of acceptance of the product Failure to so notify SUN of any nonconformity, defect or damage in or to the

product shall be deemed a waiver of Franchisee's right to revoke its acceptance of the product and/or reject the product as non-conforming, defective or damaged

10 4 Cancellation/Returns Upon termination or cancellation of any order, the product will be returned to SUN in the same condition as originally supplied, ordinary wear and tear excepted, or Franchisee will pay for restoration of the product to such condition

11 EXCLUSIVE REMEDIES

11 1 Limit on Liability Notwithstanding any other provisions in this Supply Agreement, neither SUN nor its affiliates shall be liable for any indirect, incidental, or consequential damages (including loss of profits) sustained or incurred in connection with the performance of the order or the use or operation of the products and services provided hereunder, or for damages due to causes beyond the reasonable control of SUN, its employees, subcontractors, and agents

11 2 Force Majeure Neither SUN nor its affiliates shall be liable in any way for delays, failures in performance, loss or damages due to any of the following force majeure conditions fire, strike, embargo, explosion, power blackout, earthquake, volcanic action, flood, war, water, the elements, labor disputes, civil disturbance, government requirement, civil or military authority, acts of God, public enemy, inability to secure products, transportation, facilities, acts of omission of carriers or other causes beyond its reasonable control whether or not similar to the foregoing

12 INDEMNITY

12 1 General Indemnification Franchisee will defend and indemnify SUN and SUN's affiliates, directors, employees and contractors (collectively "SUN Indemnitees") against any claim or action brought by a third party against a SUN Indemnitee arising from (a) an allegation of Franchisee's negligence or willful misconduct, or (b) Franchisees failure to comply with the requirements of this Supply Agreement

13 DISPUTE RESOLUTION

13 1 Dispute Resolution According to Franchise Agreement Any dispute between the parties arising under or related to this Supply Agreement, or the purchase or sale of any goods under this Supply Agreement, shall be resolved in accordance with the Dispute Resolution procedures of the Franchise Agreement, including all provisions relating to the requirement of good faith efforts to resolve disputes, mediation and arbitration, non-arbitral disputes, limitation of claims, waiver of exemplary and punitive damages, venue, jurisdiction, jury waiver and a prevailing party's entitlement to recover its reasonable costs and attorneys' fees

13 2 Governing Law Any interpretation of this Supply Agreement, or any dispute arising under or related to this Supply Agreement shall be subject to the laws of the State of California Venue for any action filed to enforce this Agreement shall be Alameda County, California

13 3 Survival This Section 13 will survive the termination or expiration of this Supply Agreement

14 MINIMUM ORDERS

14 1 Mınımum Orders Mınımum orders are set by SUN's supplıers as outlıned on the Equıpment supply form on the shared document tıtled SUN Panels, Inverter Prıcıng

15 ASSIGNMENT

15 1 No Assıgnment Franchısee may not assıgn ıts rıghts or oblıgatıons under thıs Supply Agreement, or any portıon thereof, wıthout the prıor wrıtten consent of SUN

16 ENTIRE AGREEMENT

16 1 Entıre Understandıng of the Partıes Thıs Supply Agreement, together wıth the Exhıbıts and the Documents ıncorporated by reference, constıtutes the entıre agreement between the partıes and supersedes all prıor or contemporaneous agreements, representatıons, promıses or ınducements, wrıtten or oral regardıng ıts subject matter No faılure or delay ın exercısıng any rıght ıs a waıver of that rıght All notıces and other communıcatıons must be delıvered to the addresses desıgnated on the first page of thıs Supply Agreement

FRANCHISEE

Name ______________________________

Sıgnature ______________________________

Tıtle ______________________________

Date ______________________________

SOLAR UNIVERSE, INC

Name ______________________________

Sıgnature ______________________________

Tıtle ______________________________

Date ______________________________

UNCONDITIONAL PERSONAL GUARANTY OF SUPPLY AGREEMENT

For value received and for the further inducement and consideration of any credit that Solar Universe Inc , (here in after referred to individually or collectively as "**Seller**") may hereafter from time to time extend to ______________________________ or to any division, affiliated or subsidiary corporation or to any other associated entity or concern (hereinafter referred to individually or collectively as "**Debtor**"), the undersigned individual ("**Guarantor**"), does hereby personally and unconditionally guaranty the full and prompt payment to Seller, its successors and assigns, of all Debtor's indebtedness to the Seller which Debtor may hereafter incur, without deduction by reason of setoff, defense or counterclaim of the Debtor against Seller, including the principal amount, interest, costs and attorney fees that are incurred under this Unconditional Personal Guaranty as it relates to the Supply Agreement

The undersigned consents and agrees that (a) it shall render any payment required under the Agreement upon demand if Debtor fails or refuses punctually to do so, (b) such liability shall not be contingent or conditioned upon pursuit by Seller of any remedies against Debtor or any other person or entity, (c) this Unconditional Personal Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns, and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Seller may from time to time grant to Debtor or to any other person including, without limitation, the acceptance of any partial payment, or the compromise or release of any claims, none of which shall in any way modify or amend this Unconditional Personal Guaranty This Unconditional Personal Guaranty shall be continuing and irrevocable during the term of the Supply Agreement unless a substitute guarantor is provided and approved in writing by Seller, which agreement will not be unreasonably withheld

THE UNDERSIGNED GUARANTOR HAS CAREFULLY READ THIS UNCONDITIONAL PERSONAL GUARANTY AND UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UNTIL TERMINATED IN THE MANNER SET FORTH ABOVE THE UNDERSIGNED ACKNOWLEDGES THAT HE/SHE HAS NOT RELIED ON ANY ORAL OR WRITTEN REPRESENTATIONS BY SELLER IN ENTERING INTO THIS UNCONDITIONAL PERSONAL GUARANTY AND THAT GUARANTOR HAS FREELY, WITHOUT COERCION OR DURESS, EXECUTED THIS UNCONDITIONAL PERSONAL GUARANTY

Dated this _____________day of_____________________________, 20____

Printed Name ____

Signature ____

Personal Address ____

EXHIBIT 6 TO THE FRANCHISE AGREEMENT

METRO SERVICE AREA

Map

Zip Codes Included In Metro Service Area

Zip Code	City	Population Estimate

Total Population

<u>EXHIBIT B TO THE DISCLOSURE DOCUMENT</u>

FRANCHISEE DISCLOSURE QUESTIONNAIRE AND CERTIFICATION

FRANCHISEE DISCLOSURE QUESTIONNAIRE AND CERTIFICATION

Please complete the attached questionnaire as you work through the process of becoming a Solar Universe franchisee When you have completed the questionnaire, please sign the certification that appears on the last page

The overall purpose of the information collected by this questionnaire is to determine whether any statements or promises were made to you by employees or representatives of Solar Universe that Solar Universe has not authorized, and that may be untrue, inaccurate or misleading With that purpose in mind, you will find the questions with regard to statements that may have been made to you during the application process

In addition, questions relating to statements made to you during the application process, you will also find questions relating to the dates that certain documents (such as the Franchise Disclosure Document or Franchise Agreement) were received, or dates on which payments were made *When purchasing a franchise, the timing of the receipt of documents, payments of franchise fees and other events are very important* Also, questions relating to your understanding of the Solar Universe Agreement are contained in the questionnaire

For ease of reference, we refer to the agreement into which you are entering with Solar Universe (Franchise Agreement or Development Rights Agreement) as the "**Solar Universe Agreement** " Solar Universe, Inc will be referred to as "we", "us" or "Company"

Please provide us with the completed Franchise Disclosure Questionnaire at the time you sign your Solar Universe Agreement Please send the Franchise Disclosure Questionnaire, along with the Solar Universe Agreement, to us at Solar Universe, Inc Attn Legal Department, 1152 Stealth Street, Livermore, California 94551

QUESTIONNAIRE

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

The Franchise Disclosure Document

1 Did your receive a copy of Company's Franchise Disclosure Document at least 14 calendar days prior to signing the Solar Universe Agreement or making any payment to Company? [ ] Yes [ ] No If "No", please comment

____

____

____

2 Did you give Company a signed and accurate receipt for the copy of the Franchise Disclosure Document?

Yes ___ No ___

3 Have you received and personally reviewed our Disclosure Document we provided to you?

Yes ___ No ___

4 Do you understand all of the information contained in the Disclosure Document?

Yes ___ No ___

If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary)

____

____

____

____

____

____

____

____

The Solar Universe Agreement

5 Have you received and personally reviewed the Solar Universe Agreement and each exhibit, addendum and schedule attached to it?

Yes ___ No ___

6 Do you understand all of the information contained in the Solar Universe Agreement and each exhibit and schedule attached to it?

Yes ___ No ___

If "No", what parts of the Solar Universe Agreement do you not understand? (Attach additional pages, if necessary.)

____

____

____

____

____

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____

General Considerations

7 Have you discussed the benefits and risks of operating the franchised business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes ___ No ___

8 Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, government incentives and laws, lease terms and other economic and business factors?

Yes ___ No ___

Communications with Solar Universe

9 Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of the franchised business that we or our franchisees operate?

Yes ___ No ___

10 Has any employee or other person speaking on our behalf made any statement or promise concerning a franchised business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

11 Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a franchised business?

Yes ___ No ___

12 Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

13 If you have answered "Yes" to any of questions 7 through 10, please provide a full explanation of your answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered "No" to each of these questions, please leave the following lines blank

____
____
____
____
____
____
____
____
____

14 Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

Yes ___ No ___

CERTIFICATION

Your answers are important to us and we will rely on them

By signing this certification, you are representing that you have responded truthfully to the above questions

Please provide us with the completed Franchise Disclosure Questionnaire and Certification at the time you sign your Solar Universe Agreement Please send the Franchise Disclosure Questionnaire, along with the Solar Universe Agreement, to us at Solar Universe, Inc Attn Legal Department, 1152 Stealth Street, Livermore, California 94551

____

Name of Franchisee/Applicant

Date __________________________ , 20___

____

Signature

____

Name and Title of Person Signing

<u>EXHIBIT C TO THE DISCLOSURE DOCUMENT</u>

STATE-SPECIFIC ADDENDA

EXHIBIT C

TO DISCLOSURE DOCUMENT
OF
SOLAR UNIVERSE, INC

STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA RIGHTS AGREEMENT

The following modifications are to the Solar Universe, Inc franchise disclosure document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated ____________________, 20__

The following state-specific addenda is applicable to you only if you are covered by the franchise law of the referenced state

CALIFORNIA

You must obtain a Contractor License from the California Contractors State License Board in order to operate your franchised business in California

The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

You must sign a general release if you renew or transfer your franchise California Corporations Code § 31512 voids a waiver of your rights under the franchise investment law (California Corporations Code §§ 31000 through 31516) Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043)

Neither we, nor any person identified in Item 2 above, 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, 15 U S C § 78a, et seq) suspending or expelling such person 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 Development Rights Agreement contains a provision that is inconsistent with the law, the law will control

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C § 101, et seq)

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law

The Franchise Agreement contains a provision that may be interpreted as a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

You and we agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Franchise Agreement or Development Rights Agreement, whichever expires earlier

OUR WEBSITE, www solaruniverse com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca.gov

HAWAII

The followıng ıs added to the State Cover Page

THESE FRANCHISES WILL BE/HAVE 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 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 DAYS BEFORE THE EXECUTION BY YOU, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY YOU, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE

THIS 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

Item 20 shall be amended by the addıtıon of the followıng paragraph

> Thıs franchıse offerıng ıs or soon wıll be on file ın Calıfornıa, Hawaıı, Maryland and New York No states have refused, by order or otherwıse, to regıster these franchıses No states have revoked or suspended the rıght to offer these franchıses The proposed regıstratıon of these franchıses has not been ınvoluntarıly wıthdrawn ın any state

The Franchıse Agreement and Development Rıghts Agreement contaın provısıons requırıng a general release as a condıtıon of renewal and transfer of the franchıse Such release wıll exclude claıms arısıng under the Hawaıı Franchıse Investment Law

The Franchıse Agreement and Development Rıghts Agreement permıt us to termınate the Agreement upon your bankruptcy Thıs Sectıon may not be enforceable under federal bankruptcy law (11 U S C §101, et seq)

The Franchıse Agreement and Development Rıghts Agreement contaın provısıons relatıng to non-renewal, transfer and termınatıon These provısıons are only applıcable ıf they are not ınconsıstent wıth the Hawaıı Franchıse Investment Law Otherwıse, the Hawaıı Franchıse Investment Law wıll control

KANSAS

Section 21 3 of the Franchise Agreement states that you and each owner of the Franchised Business will indemnify and hold us, and our officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns, harmless against all losses, damages, fines, costs, expenses or liability incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon your (a) ownership or operation of the Franchised Business, (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule, (c) breach of any representation, warranty, covenant, or provision of the Agreement or any other agreement between you and us (or an Affiliate of us), (d) defamation of us or the franchised system, (e) acts, errors or omissions committed or incurred in connection with the Franchised Business, including any negligent or intentional acts, or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of Confidential Information This provision may not be enforceable in Kansas unless separately negotiated and reasonable By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this indemnity, and that you consider it reasonable

Section 15 1 of the Franchise Agreement requires that you name us as an additional named insured on certain insurance policies This provision may not be enforceable in Kansas unless separately negotiated and reasonable By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this insurance clause, and that you consider it reasonable

MARYLAND

Items 5 and 7 of the Disclosure Document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that all initial fees and payments shall be deferred until such time as we complete our initial obligations to you under the Franchise Agreement

Item 17 of disclosure document and Sections of the Franchise Agreement and Development Rights Agreement requiring that you sign a general release as a condition of renewal, sale and assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, to the extent required by this law

Item 17 of the disclosure document and any provision in the Franchise Agreement and Development Rights Agreement that provide for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq)

Item 17v of the disclosure document, Section 23 9 of the Franchise Agreement and Section 7 of the Development Rights Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

The Franchise Agreement and Development Rights Agreement are 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 and Development Rights Agreement are revised to state that any claims under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

1 The followıng ınformatıon ıs added to the cover page of the Franchıse Dısclosure Document

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION REGISTRATION OF THIS FRANCHISE BY A STATE DOES NOT MEAN THAT A STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINICIAL AUTHORITY

2 ITEM 3, LITIGATION, Except as descrıbed above, neıther the franchısor, ıts predecessor, a person ıdentıfied ın Item 2, or an affilıate offerıng franchıses under the franchısor's prıncıpal trademark

A Has an admınıstratıve, crımınal or cıvıl actıon pendıng agaınst that person allegıng a felony, a vıolatıon of a franchıse, antıtrust, or securıtıes law, fraud, embezzlement, fraudulent conversıon, mısappropriatıon of property, unfaır or deceptıve practıces, or comparable cıvıl or mısdemeanor allegatıons, or has any pendıng actıons, other than routıne lıtıgatıon ıncıdental to the busıness, whıch are sıgnıficant ın the context of the number of franchısees and the sıze, nature or financıal condıtıon of the franchıse system or ıts busıness operatıons

B Has been convıcted of a felony or pleaded nolo contendere to a felony charge or, wıthın the ten-year perıod ımmedıately precedıng the applıcatıon for regıstratıon, has been convıcted of a or pleaded nolo contendere to a mısdemeanor charge or has been the subject of a cıvıl actıon allegıng vıolatıon of a franchıse, antıfraud or securıtıes law, fraud, embezzlement, fraudulent conversıon or mısappropriatıon of property, or unfaır or deceptıve practıces or comparable allegatıons

C Is subject to a currently effectıve ınjunctıve or restrıctıve order or decree relatıng to the franchıse, or under a Federal, State or Canadıan franchıse, securıtıes, antıtrust, trade regulatıon or trade practıce law, resultıng from a concluded or pendıng actıon or proceedıng brought by a publıc agency, or ıs subject to any currently effectıve order of any natıonal securıtıes assocıatıon or natıonal securıtıes exchange, as defined ın the Securıtıes and Exchange Act of 1934, suspendıng or expellıng such person from membershıp ın such assocıatıon or exchange, or ıs subject to a currently effectıve ınjunctıve or restrıctıve order relatıng to any other busıness actıvıty as a result of an actıon brought by a publıc agency or department, ıncludıng, wıthout lımıtatıon, actıons affectıng a lıcense as a real estate broker or sales agent

3 ITEM 4, BANKRUPTCY, Except as descrıbed above, neıther the franchısor, ıts affilıate, ıts predecessor, officers, or general partner durıng the 10-year perıod ımmedıately before the date of the dısclosure document

(a) filed as debtor (or had filed agaınst ıt) a petıtıon to start an actıon under the U S Bankruptcy Code,
(b) obtaıned a dıscharge of ıts debts under the bankruptcy code, or

(c) was a prıncıpal officer of a company or a general partner ın a partnershıp that eıther filed as a debtor (or had filed agaınst ıt) a petıtıon to start an actıon under the U S Bankruptcy Code or that obtaıned a dıscharge of ıts debts under the U S Bankruptcy Code durıng or wıthın 1 year after the officer or general partner of the franchısor held thıs posıtıon ın the company or partnershıp

4 ITEM 5, INITIAL FEES, The purpose of the ınıtıal fee ıs to compensate us for the cost of sellıng franchıses

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

Item 17 d, Termınatıon by franchısee The franchısee may termınate the agreement on any grounds avaılable by law

Item 17 ȷ, Assıgnment of contract by Franchısor However, no assıgnment wıll be made except to an assıgnee who, ın good faıth and ȷudgment of the franchısor, ıs wıllıng and financıally able to assume the franchısor's oblıgatıons under the franchıse agreement

Item 17 v, Choıce of forum, & Item 17 w, Choıce of law The forgoıng choıce of law should not be consıdered a waıver of any rıght conferred upon the franchısor or upon the franchısee by artıcle 33 of the General Busıness law of the state of New York

ACKNOWLEDGMENT

It is agreed that any applicable part of the foregoing state law addenda supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of ________________, 20__, and of the Franchise disclosure document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect

DATED this ______ day of __________________, 20__

FRANCHISOR

SOLAR UNIVERSE, INC

By ______________________________________

Title ____________________________________

FRANCHISEE

____

By ______________________________________

Title ____________________________________

By ______________________________________

Title ____________________________________

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

EXHIBIT D TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT AND CERTAIN FORMER FRANCHISEES

SOLAR UNIVERSE, INC.

CURRENT FRANCHISEES
(as of December 31, 2016)

The following franchisees were open and operating at December 31, 2016

Entity	Street Address	City	State	Zip	Phone	Proprietor	Opening Date
Solar Universe Phoenix	1565 West University Dr , Suite #103	Tempe	AZ	85281	602-431-9626	Specified Electrical Contractors, Inc	September 2009
REPOWER Old Pueblo	4959 E 29th Street	Tucson	AZ	85711	520-303-2220	Advanced Solar Group, Inc	October 2013
REPOWER East Tucson	9324 E Cooper Place	Tucson	AZ	85710	520- 207-1882	Solar Access LLC	November 2015
Solar Universe Oakland	1075 40th Street	Oakland	CA	94606	510-547-6330	Fidelity Roofing Company	September 2008
REPOWER Fresno	5096 North Blythe Ave , Suite #100A	Fresno	CA	93722	559-277-2000	Valley Unique Electric	January 2009
REPOWER Santa Rosa	3345 Industrial Drive, Suite 10	Santa Rosa	CA	95403	707-623-1464	Kruetzfeldt Construction Company, Inc	August 2009
REPOWER Murphys	821 Murphy's Creek Rd , Bld A2	Murphys	CA	95247	209-728-3371	Gold Electric, Inc	March 2010
REPOWER South San Francisco	101 First St	South San Francisco	CA	94080	650-872-3232	Mr Roofing, Inc	June 2010
REPOWER Brentwood	9000 Brentwood Blvd , Unit A	Brentwood	CA	94513	855-832-6768	Synergy 768, Inc	December 2010
REPOWER Fremont	2151 Moffat Blvd	Manteca	CA	95336	877-444-6639	Homex, Inc	June 2011
Solar Universe Stockton	121 Oak St	Manteca	CA	95337	877-444-6639	Homex, Inc	April 2012
REPOWER Santa Fe Springs	10370 Slusher Drive, Unit 2	Santa Fe Springs	CA	90670	626-808-4555	Solar SGV, Inc	August 2012
REPOWER Rancho Cucamonga	10373 Trademark St , Suite B	Rancho Cucamonga	CA	91730	909-297-3626	JDC Energy Solutions, LLC	October 2012
REPOWER Redding	20275 Skypark Dr , Suite A	Redding	CA	96002	530-722-4284	Solios, LLC	April 2013
Solar Universe Marin	3636 Airway Dr	Santa Rosa	CA	95403	707-623-1464	Kruetzfeldt Construction Company, Inc	April 2013
REPOWER El Dorado Hills	4659 Golden Foothill Parkway, Suite 105	El Dorado Hills	CA	95762	916-597-0500	Vigor Construction	December 2013
REPOWER Monterey	855 Broadway Avenue, Suite A	Seaside	CA	93955	831-233-3004	Solar Coast Electric, LLC	December 2013
REPOWER San Marcos	9380 Activity Road, Suite A	San Diego	CA	92126	844-276-5278	KBI Electric, Inc	January 2014
REPOWER Westminster	8283 Bolsa Ave	Midway City	CA	92655	714-363-8528	DoLuu Investments	November 2015
REPOWER Irvine	17972 Sky Park Circle, Suite D	Irvine	CA	92614	(949) 667-6770	Serelica Solar LLC	January 2016

Entity	Street Address	City	State	Zip	Phone	Proprietor	Opening Date
REPOWER Van Nuys	14416 Friar Street, Suite A	Van Nuys	CA	91401	877-963-2442	F&C Construction Services, Inc	March 2016
REPOWER Los Angeles South Bay	2409 N Sepulveda Blvd , Suite 307	Manhattan Beach	CA	90266	310-846-8542	Estrela Direct	June 2016
REPOWER Santa Ana	900 N Broadway, Suite 700	Santa Ana	CA	92701	424-324-9690	Redvill Enterprises Group	June 2016
REPOWER Palm Desert	42575 Melanie Place	Palm Desert	CA	92260	760-671-2440	Solar Ventures	June 2016
REPOWER South San Jose	5450 Thornwood Drive	San Jose	CA	95123	888-530-7652	SolarSavings	August 2016
Satbir Singh	TBD	Brentwood	CA		925-250-5324	Satbir Singh	November 2016
REPOWER Livermore	1152 Stealth St	Livermore	CA	94551	(925) 202-2238	Rikety Ventures, LLC	Transferred January 2016
REPOWER Hartford	1391 Marion Ave	Marion	CT	06444	(860) 302-7760	Kiyak Solar LLC	February 2016
REPOWER Oahu	96-1382 Waihona Street, Suite #6	Pearl City	HI	96782	808-676-5276	808 Solar, LLC	March 2012
REPOWER NOLA	3183 Terrace Ave	Slidell	LA	70458	985-643-8181	21 Solar Technologies	December 2010
REPOWER 128	1131 Randolph Avenue	Milton	MA	02186	617-835-0331	Marron Energy, LLC	April 2013
REPOWER Easton	105 Depot St , Unit #2	South Easton	MA	02375	508-238-4536	Solar Universe Easton	March 2015
REPOWER Annapolis	1805-C Virginia St	Annapolis	MD	21401	800-786-1805	Annapolis Solar Consultants, Inc	September 2012
REPOWER Columbia	9017 Mendenhall Court, Suite A	Columbia	MD	21045	410-995-8558	Renewable Home LLC	April 2016
Solar Universe North Jersey	5 Laurel Dr , Unit 5	Flanders	NJ	07836	973-713-0679	G Keller & Sons, LLC	October 2013
REPOWER Tom's River	1889 Route 9	Toms River	NJ	08753	732-504-7734	South Jersey Solar Inc	February 2014
Clean Energy Solar Corp	TBD	TBD	NJ		631-328-4356	Clean Energy Solar Corp	May 2016
REPOWER Bergen County	1 Bridge Plaza North	Fort Lee	NJ	07024	888-270-3861	World Solar Solutions	October 2016
REPOWER West Essex	117 Harrison Avenue	Roseland	NJ	07068	973-567-2236	Tri-State Solar LLC	April 2016
Mark Lesch & Joseph Smith	TBD	TBD	NJ		609-315-1906	Mark Lesch & Joseph Smith	December 2016
REPOWER NE Albuquerque	4600 Lincoln Road, NE Suite 8	Albuquerque	NM	87109	505-888-2029	Solar Zone Inc	November 2015
REPOWER Desert Valley	7435 S Eastern Ave , Suite 105-432	Las Vegas	NV	89123	702-541-7841	Solar Universe Desert Valley, LLC	November 2014
REPOWER Long Island East End	7470 Sound Ave	Mattituck	NY	11952	631-240-0999	Solar Town, LLC	July 2013
REPOWER Upstate New York	210 Washington Avenue Extension	Albany	NY	12203	518-213-8786	American Energy Care	February 2014

Entity	Street Address	City	State	Zip	Phone	Proprietor	Opening Date
REPOWER Camden	9008 State Route 13	Camden	NY	13316	315-333-0898	Camden Renewable Energy Systems	December 2014
REPOWER Syracuse	6816 Ellicott Drive	East Syracuse	NY	13057	315-434-9500	Stellar Energy, LLC	November 2015
REPOWER Poughkeepsie	125 DeGarmo Road	Poughkeepsie	NY	12603	914-489-4127	GEO of Camden, LLC	December 2015
REPOWER Yorktown	990 E Main St	Shrub Oak	NY	10588	(914) 455-2158	Spirelli Solar	February 2016
REPOWER Bay Shore	1265 Sunrise Highway	Bay Shore	NY	11706	631-328-4356	Clean Energy Solar Corp	May 2016
Clean Energy Solar Corp	TBD	Long Island	NY		631-328-4356	Clean Energy Solar Corp	May 2016
John Dimatteo	TBD	Long Island	NY		646-773-7700	John Dimatteo	November 2016
REPOWER Long Island City	2700 Queens Plaza South	Long Island City	NY	11101	347-384-7172	Solaris Energy Inc	December 2016
REPOWER Northeastern Pennsylvania	12 Blytheburn Rd	Mountaintop	PA	18707	570-868-7861	Tony DellDonna Construction	October 2009
REPOWER Porta Caribe	383 km 04 bo Margas Arriba	Guayanilla	PR	00656	787-835-7312	New Solar Concepts of Puerto Rico, LLC	January 2013

CERTAIN FORMER FRANCHISEES
(as of December 31, 2016)

The followıng franchısees eıther transferred theır franchıse, or had an agreement termınated, cancelled, not renewed, or otherwıse voluntarıly or ınvoluntarıly ceased to do busıness under our Franchıse Agreement durıng the fiscal year ended December 31, 2016 If you buy thıs franchıse, your contact ınformatıon may be dısclosed to other buyers when you leave the system

Entıty	Cıty	State	Zıp	Phone	Proprıetor	Status
Solar Unıverse Dıablo Valley	Martınez	CA	94553	925-228-4786	D R Brown Company	Transferred
Solar Unıverse San Fernando Valley	Chatsworth	CA	91311	818-407-0599	Epıca, Inc	Non-Renewal
Solar Unıverse Rıversıde	Rıversıde	CA	92507	951-653-2468	Envısıon Electrıc/Solar, Inc	Ceased Operatıons
REPOWER Thousand Oaks	Westlake Vıllage	CA	91361	805-777-7477	Solarology, Inc	Termınated
Solar Unıverse Santa Clarıta	Westlake Vıllage	CA	91361	805-777-7477	Solarology, Inc	Termınated
REPOWER Central Maryland	Baltımore	MD	21224	443-417-4825	Wegner Brothers Energy, LLC	Non-Renewal
REPOWER Portland	Corvallıs	OR	97331	360-200-1018	Premıer Energy Inc	Non-Renewal

FORMER AFFILIATE OWNED FRANCHISE

Entıty	Cıty	State	Zıp	Phone	Proprıetor	Status
Solar Unıverse Sacramento	Rosevılle	CA	95678	866-786-2121	Sun Network Sacramento, Inc	Ceased Operatıons

NO COMMUNICATION WITHIN 10 WEEKS

The following franchisees have not communicated with us within 10 weeks of the date of this Disclosure Document

Entity	Street Address	City	State	Zip	Phone	Proprietor	Open Date
Solar Universe Phoenix	1565 West University Drive, Suite #103	Tempe	AZ	85281	602-431-9626	Specified Electrical Contractors, Inc	September 2009
Solar Universe Oakland	1075 40th Street	Oakland	CA	94606	510-547-6330	Fidelity Roofing Company	September 2008
REPOWER Redding	20275 Skypark Dr , Suite A	Redding	CA	96002	530-722-4284	Solios, LLC	April 2013
REPOWER Oahu	96-1382 Waihona Street, Suite #6	Pearl City	HI	96782	808-676-5276	808 Solar, LLC	March 2012
REPOWER NOLA	3183 Terrace Ave	Slidell	LA	70458	985-643-8181	21 Solar Technologies	December 2010
Solar Universe North Jersey	5 Laurel Dr , Unit 5	Flanders	NJ	07836	973-713-0679	G Keller & Sons, LLC	October 2013
REPOWER Desert Valley	7435 S Eastern Ave , Suite 105-432	Las Vegas	NV	89123	702-541-7841	Solar Universe Desert Valley, LLC	November 2014
REPOWER Camden	9008 State Route 13	Camden	NY	13316	315-333-0898	Camden Renewable Energy Systems	December 2014
REPOWER Poughkeepsie	125 DeGarmo Road	Poughkeepsie	NY	12603	914-489-4127	GEO of Camden, LLC	December 2015
REPOWER Porta Caribe	383 km 04 bo Margas Arriba	Guayanilla	PR	00656	787-835-7312	New Solar Concepts of Puerto Rico, LLC	January 2013

EXHIBIT E TO THE DISCLOSURE DOCUMENT

**STATE REGULATORY AUTHRORITIES AND
AGENTS FOR SERVICE OF PROCESS IN CERTAIN STATES**

EXHIBIT E
NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES AND AGENTS FOR SERVICE OF PROCESS IN CERTAIN STATES

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
California	Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 (866) 275-2677 One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559	Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 (866) 275-2677 One Sansome Street Suite 600 San Francisco, CA 94104 (415) 972-8559
Connecticut	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	[Not Applicable]
Florida	Dept of Agriculture & Consumer Services Division of Consumer Services 2005 Apalachee Pkwy Tallahassee, FL 32399-6500 (850) 410-3800	[Not Applicable]
Hawaii	Business Registration Division Department of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii, Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street Room 203 Honolulu, HI 96813 (808) 586-2722
Illinois	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Indiana Secretary of State Securities Division, E-111 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681
Maryland	Office of the Attorney General Securities Division 200 St Paul Place Baltimore, MD 21202-2021 (410) 576-6360	Maryland Securities Commissioner at the Office of the Attorney General Securities Division 200 St Paul Place Baltimore, MD 21202-2021 (410) 576-6360

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
Michigan	Consumer Protection Division Michigan Department of Attorney General G Mennen Williams Building, 1st Floor 525 W Ottawa Street Lansing, MI 48933 (517) 373-7117	Michigan Department of Consumer and Industry Services Corporations, Securities & Commercial Licensing Bureau P O Box 30018 Lansing, MI 48909 2501 Woodlake Circle Okemos, MI 48864 (517) 241-6470
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101-2198 (651) 539-1600
Nebraska	Staff Attorney Department of Banking and Finance Commerce Court 1230 "O" Street, Suite 400 Lincoln, NE 68508-1402 (402) 471-3445	[Not Applicable]
New York	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway 23rd Floor New York, NY 10271-0332 (212) 416-8236 Phone (212) 416-6042 Fax	Attention New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	North Dakota Securities Department Fifth Floor 600 East Boulevard Avenue State Capitol, Fifth Floor, Department 414 Bismarck, ND 58505 (701) 328-4712	North Dakota Securities Commissioner Fifth Floor 600 East Boulevard, Department 414 Bismarck, ND 58505 (701) 328-4712
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	[Not Applicable]
Rhode Island	Department of Business Regulation in the Service of Process, Disclosure Document and State Administrators Sections Building 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 (401) 222-3048	Director Department of Business Regulation State of Rhode Island Securities Division 1511 Pontiac Avenue John O Pastore Center Cranston, RI 02920 (401) 462-9588

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
South Dakota	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-4823	Director, Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823
Texas	Secretary of State Statutory Document Section 1019 Brazos Austin, Texas 78701 (512) 475-0775	[Not Applicable]
Utah	Division of Consumer Protection Utah Department of Commerce 160 East 300 South Salt Lake City, UT 84111 (801) 530-6601	[Not Applicable]
Virginia	State Corporation Commission Division of Securities and Retail Franchising Ninth Floor 1300 East Main Street Richmond, VA 23219 (804) 371-9051	Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division P O Box 9033 Olympia, WA 98501 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S W Tumwater, WA 98501 (360) 902-8760
Wisconsin	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555
Federal Trade Commission	Bureau of Consumer Protection 600 Pennsylvania Avenue, NW Washington, D C 20580 (877)-382-4357	[Not Applicable]

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

EXHIBIT F TO THE DISCLOSURE DOCUMENT

CONFIDENTIAL MANUALS
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CONFIDENTIAL OPERATIONS MANUAL
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EXHIBIT H TO THE DISCLOSURE DOCUMENT

FORM OF SALES AND INSTALLATION AGREEMENT

SALES AND INSTALLATION CONTRACT

between

Solar Universe, Inc.

and

[____________________]

dated

[________________]

TABLE OF CONTENTS

LIST OF EXHIBITS

SALES AND INSTALLATION CONTRACT

This SALES AND INSTALLATION CONTRACT ("Contract") is made as of [________] ("Effective Date"), by and between Solar Universe, Inc a Delaware corporation ("Solar Universe, Inc ") and [________], a [________] corporation, ("Installer") Developer and Installer may be referred to herein in the singular as "Party" or jointly as "Parties" This Contract sets forth the general terms and conditions for the marketing, sales, design, engineering, procurement, installation and construction of one or more Solar Facilities (as defined in Article 1) by Installer on residential or commercial property, with the terms and conditions for the Work (as defined in Article 1) associated with each individual Solar Facility also being governed by the terms and conditions of a separate SFS Work Order ("SFS Work Order")

RECITALS

WHEREAS, Developer has been authorized by [________] to engage certain licensed contractors, including Installer, to market, sell, design, engineer, procure, install, construct, test commission and start-up on a turnkey basis one or more Solar Facilities on residential or commercial property as part of the [________] Program

WHEREAS, Developer desires to engage Installer to market, sell, design, engineer, procure, install, construct, commission and test one or more Solar Facilities on residential or commercial property as part of the [________] Program,

WHEREAS, Installer desires to market, sell, design, engineer, procure, install, construct, commission and test, on a turnkey basis, one or more Solar Facilities for Developer as part of the [________] Program,

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, it is agreed

ARTICLE 1 – KEY DEFINITIONS

1 1 Definitions The Parties hereby agree that capitalized terms used in this Contract, unless otherwise defined herein or in a particular SFS Work Order, shall have the meanings assigned below

"AAA" has the meaning set forth in Section 13 2

"Affiliate" means, for any Person, any other Person controlling, controlled by or under common control with such first Person For purposes of this definition and this Contract, the term "control" (and correlative terms) means (1) the ownership of 50% or more of the equity interest in a Person, or (2) the power, whether by contract, equity ownership or otherwise, to direct or cause the direction of the policies or management of a Person

"<u>Assignee</u>" means the Person set forth as such in the applicable SFS Work Order as the "Assignee"

"<u>Business Day</u>" means any day on which Federal Reserve member banks in San Francisco, California are open for business

"<u>Change Order</u>" shall mean the written order issued by Developer in accordance with <u>Article 5</u> modifying or amending, among other things, the Work, the Installer Contract Price, the Substantial Completion date set forth in <u>Section 4 5</u>, the Final Completion date set forth in <u>Section 10 5</u>, or any other terms and conditions of this Contract or an SFS Work Order

"<u>Claims</u>" means all claims, judgments, settlements, losses, damages, demands, suits, causes of action, liabilities, fines, penalties, costs and expenses (including, without limitation, court costs, attorney's fees, and other reasonable costs of suit or dispute resolution) For the avoidance of doubt, Claims shall also include potential or threatened claims, judgments, settlements, losses damages, demands, suits, causes of action, liabilities, penalties, costs and expenses (including without limitation, court costs, attorney's fees, and other reasonable costs of suit or dispute resolution)

"<u>Commissioning</u>" shall mean activating the Solar Facility at the Host Customer's Site

"<u>Confidential Information</u>" shall have the meaning set forth in <u>Section 15 6(a)</u>

"<u>Construction-In-Progress Date</u>" shall have the meaning set forth in <u>Section 10 1(b)</u>

"<u>Contract</u>" has the meaning set forth in the preamble

"<u>Customer Origination Policy</u>" means the customer origination policy set forth in <u>Exhibit P</u>, as amended from time to time by Developer in its sole discretion with notice to Installer

"<u>Customer Signing Date</u>" means the date which a Host Customer signs their Residential Solar Customer Agreement

"<u>Default Rate</u>" means one and a half percent (1 5%) per month

"<u>Delay Fee</u>" has the meaning set forth in <u>Section 4 5(c)</u>

"<u>Delaying Utility</u>" means any Utility that is not timely issuing PTO Approvals

"<u>Deposit</u>" means the amount due from Host Customer at signing of the Residential Solar Customer Agreement, such amount as specified in the documentation generated by the Online Proposal System, which is to be paid by check from the Host Customer to [________]

"Design Documents" means a site plan (including location of the [________] meter) and a 3 line drawing (including location of the [________] meter) for the Solar Facility

"Developer" means either Solar Universe, Inc or the assignee of Solar Universe, Inc , as the case may be

"Developer Design Guidelines" shall have the meaning set forth in Exhibit K

"Effective Date" has the meaning set forth in the preamble

"Excluded Work" has the meaning set forth in Exhibit F

"Final Completion" shall have the meaning provided in Section 10 5 of this Contract

"Final Completion Certificate" shall be in the form of Exhibit M, as may be updated by Developer from time to time without need to amend this Agreement

"Financial Fund Delay Fee" shall have the meaning set forth in Section 4 5

"Financial Find Guaranteed Substantial Completion Date" shall have the meaning set forth in Section 4 5

"Financial Fund Target Substantial Completion Date" shall have the meaning set forth in Section 4 5

"Force Majeure Event" includes acts of God such as storms, fires, floods, lightning and earthquakes, sabotage or destruction by a third party of a Solar Facility, war, riot, acts of a public enemy or other civil disturbance, or a strike, walkout, lockout or other significant labor dispute, or other causes beyond the affected Party's reasonable control

"Franchise Agreement" shall have the meaning provided in Schedule 1 of this Contract

"Governmental Authority" means any governmental, administrative or municipal authority, including any ministry, department, municipality, instrumentality, agency or commission (including the California Energy Commission ("CEC")) under direct or indirect control of any city, county, state or Federal government, or governmental entity with jurisdiction over the applicable Solar Facility or any part of the Work wherever such components of the Work may be located

"Governmental Authorizations" means all permits, consents, decisions, licenses, approvals, certificates, confirmations or exemptions from, and all applications and notices filed with or required by, any Governmental Authority that are necessary for the performance of the Work or any other obligation of either Party pursuant to this Contract

"Guaranteed Substantial Completion Date" shall have the meaning set forth in Section 4 5(b) of this Contract

"Hazardous Substances" means any chemical, substance, medical or other waste, living organism or combination thereof which is or may be hazardous to the environment or human or animal health or safety due to its radioactivity, ignitability, corrosivity, causticity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects Hazardous Substances shall include, without limitation, all substances which now or in the future may be defined as "hazardous substances," "hazardous wastes," "extremely hazardous wastes," "hazardous materials," or "toxic substances," or which are otherwise listed, defined or regulated in any manner pursuant to any Law pertaining to the protection of the environment or human or animal health or safety

"Home Improvement Salesperson" shall have the meaning assigned to it by the Contractor's State Licensing Board of California on the Contractor's State Licensing Board's website at http //www cslb ca gov/

"Host Customer" is the signatory of the Residential Solar Customer Agreement

"Host Customer's Site" means, as applicable, the real property owned by the Host Customer where the Solar Facility is to be installed and the building, structure or residence upon such real property to which the Solar Facility shall be attached Should usage of this term be ambiguous, as between real property or a building, structure or residence, the ambiguity shall be resolved by applying the term to both the real property and such building, structures or residences

"Initial Payment" means the amount due, if any, from Host Customer to [________] in addition to the Deposit on or before the first day of installation of the Solar Facility pursuant to a Residential Solar Customer Agreement, such amount as specified in the documentation generated by the Online Proposal System

"Initial Quality Standards" shall have the meaning set forth in Exhibit I

"Inspection Results" shall have the meaning set forth in Exhibit I

"Installer" shall have the meaning set forth in the preamble

"Installer's Change Request" shall mean a written request by Installer wherein Installer is requesting a change to the Work, the Installer Contract Price, the Substantial Completion date set forth in Section 4 5, the Final Completion date set forth in Section 10 5 or any other terms and conditions of this Contract

"Installer Contract Price" shall mean the amount that Developer shall pay Installer pursuant to Article 6 in consideration of Installer's performance in full of all of its obligations under an SFS Work Order, as it may be amended in accordance with the terms hereof

"Installer Delay Percentage" is calculated, as it applies to any one Delaying Utility, by dividing (i) the sum of Installer Contract Prices specified on all Outstanding SFS Work Orders that concern Solar Facilities to be connected to such Delaying Utility that Developer has not received the Rebate Documentation and the PTO Approval within [________] days of the [________] payment date by (ii) the sum of Installer Contract Prices specified on all Outstanding SFS Work Orders

"Installer Delay Percentage Limit" has the meaning set forth in Section 6 2(d)

"Installer Discount" has the meaning set forth in Section 2 8(a)

"Installer's Territory" shall mean the geographies within Installer's Area of Primary Responsibility or Metro Service Area (as such term is defined in the Franchise Agreement) that are serviced by any of the Utilities set forth in Exhibit J, provided that such Exhibit may be amended at any time by Developer to include additional Utilities upon notice by Developer to Installer

"Interconnection Notice" shall have the meaning set forth in Section 10 1(a)

"Invoice" shall have the meaning set forth in Section 6 2(b)

"ITC" means the "energy credit" described in Section 48(a) of the Internal Revenue Code of 1986, as amended

"ITC Jeopardy" has the meaning set forth in Section 10 1(b)

"ITC Damages" has the meaning set forth in Section 10 1(c)

"Law" means any applicable constitution charter, act, statute, law, ordinance, code (including, without limitation national, state and local building, installation, and construction codes and standards), rule, case law, regulation, order, treaty, decree, announcement, Governmental Authorization, or published practice or any interpretation thereof, or other legislative or administrative action of any Governmental Authority, or specified standards or objective criteria contained in any applicable Governmental Authorization, or a final decree, judgment, or order of a court, or any applicable engineering, construction, or safety regulation or code

"Lien" means any mortgage, pledge, assessment, security interest, lease, lien, adverse claim, levy, right of retention, charge or other encumbrance of any kind, or any conditional sale contract, title retention contract or other agreement to give any of the foregoing

"Lien Security" has the meaning set forth in Section 3 16

"Milestone Payment" shall have the meaning provided in Section 6 2 of this Contract

"Milestone Verification Statement" is a written document describing one of the Work Milestones described in Exhibit C and Section 10 herein The forms of the Milestone Verification Statements are attached to Exhibit C

"Net Payment" means the difference between (i) Net Revenue and (ii) the cash amount already received by Installer for the Milestone Payments, less any amount that Developer is authorized to withhold under Section 6 5

"Net Revenue" means the difference between the Installer Contract Price and the amount set forth on the Invoice

"Non-Warranty Services" means any services performed pursuant to a Service Request that are not covered under the warranties provided in connection with this Contract

"Online Proposal System" means the website managed by Developer or [________] used by Installer to create proposals, sales documents and manage certain operations functions, as described more fully in Exhibit L

"Outstanding SFS Work Order" means an SFS Work Order for which Installer has received at least the Milestone 1 payment, but not received the Milestone 3 payment

"Party" or "Parties" has the meaning set forth in the preamble

"Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organization, association or Governmental Authority

"Project Schedule" shall mean that certain schedule developed by Installer to complete the Work for a particular Solar Facility in a timely manner in accordance with the terms and conditions set forth herein

"Prudent Practices" shall mean those practices, methods, specifications and standards of safety and performance, which are commonly used by professional engineering and construction firms which in the exercise of reasonable judgment and in the light of the facts known at the time the decision was made are considered good, safe and prudent practice in connection with the design, engineering, procurement and installation of solar facilities and equipment Prudent Practices are not intended to be limited to the optimum practice or method to the exclusion of all others, but rather to be a spectrum of reasonable and prudent practices and methods As an illustration of this definition, the Parties agree that the practices, methods, specifications and standards of safety and performance set forth in the Developer Design Guidelines in Exhibit K represent Prudent Practice, but are not an exhaustive list of reasonable and prudent practices and methods in the industry Notwithstanding the immediate foregoing, and without limiting other potential violations of this definition of Prudent Practice, a violation of any of the standards of the Developer Design Guidelines and/or a failure to conform all Work to the Mandatory Minimum Requirements of Appendix B of the Developer Design Guidelines shall be considered by the Parties to be a violation of Prudent Practices

"PTO Approval" means the letter or other communication from the Utility granting permission to interconnect the Solar Facility and operate it in parallel with the local grid

"PTO Deadline" shall have the meaning set forth in Section 4 5 of the Contract

"Punch List Items" shall mean those items which must be completed by Installer after Substantial Completion as a condition of Final Completion

"Qualified Customer" means a customer who meets all of the following minimum criteria (i) has demonstrated ability to pay as determined by the [________] credit approval process, (ii) resides within the Installer's Territory and (iii) has signed a Residential Solar Customer Agreement to purchase a Solar Facility with a size of at least 2 00 kW DC

"Quality Standards" has the meaning set forth in Exhibit H

"Rebate Documentation" means all forms, documentation and deposits (if any) required to reserve any rebate, renewable energy credit, or other incentive applicable to a Solar Facility, as well as any additional forms or documentation required to secure the rebate(s), renewable energy, or other incentive upon interconnection of the Solar Facility

"Rebate Filing Date" shall have the meaning set forth in Section 4 6 of this Contract

"Release" means the release, spill, leak, pump, inject, deposit, discharge, disperse, or disposal of a Hazardous Substance

"Request for Payment" shall have the meaning set forth in Section 6 2(a)

"Residential Solar Customer Agreement" means the residential solar customer agreement entered into by and between [________] and a particular Host Customer whereby [________] agrees to sell solar electric energy produced by the Solar Facility or lease the Solar Facility to the Host Customer

"Service Request" shall have the meaning set forth in Section 11 2

"SFS Work Order" has the meaning set forth in the preamble, a form of which is attached hereto as Exhibit A

"Solar Facility" means a complete photovoltaic system (including, without limitation, all equipment, materials, wiring and spare parts, if any) to be designed, engineered, procured (except for [________]-provided Items), constructed, installed, tested, commissioned, and started-up on a Host Customer's Site by Installer in accordance with this Contract and the applicable SFS Work Order

"Solar Facility Price" shall have the meaning set forth in Section 2 8(a) of this Contract

"Solar Financing Product" means a product offering to a residential customer in which a single photovoltaic system is both (i) installed on the property of such customer and (ii) owned by a Person other than such customer, including but not limited to contractual arrangements pursuant to which such photovoltaic systems are leased to such customer or pursuant to which electricity from such photovoltaic systems is sold to such customer under a power purchase agreement For the avoidance of doubt, photovoltaic systems financed through home equity lines of credit, home equity loans, same-as-cash financing, and municipal financing programs are not Solar Financing Products

"Solar Universe, Inc " shall have the meaning set forth in the preamble

"Standard Test Condition Direct Current" is determined by summing the photovoltaic collectors' direct current powers listed on the nameplates on the backsides of the collectors in units of watts

"Subcontractor" shall mean any Person with whom Installer enters into an arrangement for the performance of the Work or for the supply of services to Installer, including Persons at any tier with whom any Subcontractor has further subcontracted any part of the Work, and the legal or personal representatives, successors, and assigns of such Person

"Substantial Completion" shall mean (i) completion of all Work necessary to allow the testing required pursuant to Section 10 2, (ii) test results confirming that the equipment associated with the Work performs to the technical specifications set forth in the SFS Work Order to this Contract and to the manufacturer's specifications and standards, (iii) completion of the testing set forth in Exhibit G to the satisfaction of Developer in its sole discretion, (iv) documentation evidencing the serial numbers of all photovoltaic panels and inverters supplied by Developer in the applicable SFS Work Order and (v) achievement of all other requirements, if any, set forth in the relevant Milestone Verification Statement

"Finance Partner Products" means the Solar Facility financing and installation packages offered by [________], as may be adjusted by [________] in its sole discretion from time to time

"[________] Program" means the program run by [________] to sell Finance Partner Products

"[________] Provided Items" means those items of equipment, materials, documents, and other items to be provided by [________] as set forth in Exhibit B

"[________] Service Manual" means the service manual set forth in Exhibit O

"Target Substantial Completion Date" shall have the meaning set forth in Section 4 5(a)

"Taxes" shall have the meaning set forth in Section 6 7 of this Contract

"Unexpected Delay" means a Force Majeure Event, Host Customer-caused delay, [________]-caused delay, or inspections or approvals by Governmental Authorities or a Utility

"Utility" means the operator of the transmission grid to which the Solar Facility is being interconnected, or another utility providing standard net metering service to the Solar Facility as set forth on the applicable SFS Work Order

"Work" shall mean the performance of all activities, except for procurement of [________]-Provided Items and performance of Excluded Work, necessary to design, engineer, procure, install, construct, test, commission, and start-up a Solar Facility on a turnkey basis in accordance with the technical specifications set forth in the SFS Work Order, including, without limitation, all design, engineering, procurement construction, installation, material, equipment, machinery, tools, labor, transportation and any other services related thereto

1 2 Rules of Usage The Parties hereby agree that the following rules of usage shall apply to this Contract unless otherwise required by the context or unless otherwise specified

(a) Singular and Plural Definitions set forth herein shall be equally applicable to the singular and plural forms of the terms defined

(b) Section References and Headings References to articles, sections, paragraphs, clauses, annexes, appendices, schedules or exhibits are references to articles, sections, paragraphs, clauses, annexes, appendices, schedules or exhibits in this Contract The headings, subheadings and table of contents used in this Contract are solely for convenience of reference and shall not constitute a part of this Contract nor shall they affect the meaning, construction or effect of any provision thereof

(c) References to Persons References to any Person shall include such Person, its successors and permitted assigns and transferees

(d) Agreements and Laws as Amended Reference to any agreement (including this Contract) means such agreement as amended, supplemented or otherwise modified from time-to-time in accordance with the applicable provisions thereof Subject to the provisions of Section 15 2, reference to any law includes any amendment or modification to such law and any rules or regulations issued thereunder or any legal requirement enacted in substitution or replacement thereof

(e) Grammatical Forms Where a word or phrase is specifically defined, other grammatical forms of such word or phrase have corresponding meanings, the words "herein," "hereunder," and "hereof" refer to the provisions of this Contract as a whole and not to any particular portion or provision of this Contract, "including" means "including, but not limited to", and other forms of the verb "to include" are to be interpreted similarly, and references to "or" shall be deemed to be disjunctive but not necessarily exclusive (i e , unless the context dictates otherwise, "or" shall be interpreted to mean "and/or" rather than "either/or"

(f) Day References to "days" shall mean calendar days, unless the term "Business Days" is used If the time for performing an obligation expires on a day that is not a Business Day, the time shall be extended until that time on the next Business Day

(g) Time Periods and Time Zone References to time are references to the time in effect in San Francisco, California Obligations to be performed within a specific period shall be performed no later than 11 59 p m on the last day of such period Periods shall be calculated exclusive of the day on which the period commences For purposes of example only, a period consisting of three (3) Business Days which commences on a Tuesday would end at 11 59 p m on Friday

ARTICLE 2 – RELATIONSHIP BETWEEN THE PARTIES; SALES OBLIGATIONS

2 1 Status of Installer Installer shall perform and execute the provisions of this Contract as an independent contractor and shall not be an agent, employee or partner of Developer or [________]

2 2 Requirements No contractual relationship shall exist between [________] and any Installer for the Work performed hereunder No Installer is intended to be or shall be deemed a third party beneficiary of any agreement between [________] and Developer or any of its Affiliates Installer shall be fully responsible for the works, services, and materials and the acts, defaults and neglects of any Subcontractor, its agents or employees as fully as if they were Installer's own or those of Installer's agents or employees If Installer was not approved by Developer to perform Work as of November 1, 2013, then Installer shall be approved to perform Work only if Installer meets Initial Quality Standards as defined in Exhibit I, and provided Installer is an active franchisee of Solar Universe, Inc , and provided that the Installer is not an existing [________] contractor

2 3 Communication All written documentation or notices may be transmitted via US Post, private express mail service, electronic mail, or facsimile Digital photographs may be transmitted via email or text message from a hand-held mobile device, to the following addresses

If to Developer

Solar Universe, Inc
Attn Joe Bono
1152 Stealth Street
Livermore, CA 94551
Local Phone (925) 455-4700
Email joe@solaruniverse com

If to the Installer
As set forth on Schedule 1 hereto

Parties may reasonably update the contact information via written notification All notices shall be effective upon receipt

2 4 Authorization Subject to the terms and conditions of this Contract, Developer hereby authorizes Installer, and Installer accepts such authorization, to solicit applications for Finance Partner Products in the Installer's Territory during the Term, and to design, engineer, procure, construct, install, test, commission, and start-up Solar Facilities Installer acknowledges that such authorization is nonexclusive, and that Developer or [________] may enter into similar agreements with third parties Installer acknowledges and accepts that [________] will, from time to time, be interacting with Installer

2 5 Order Submission Installer shall diligently seek to obtain practicable orders for the Finance Partner Products (each, an "Order") on such forms generated by the Online Proposal System and in accordance with such procedures as Developer may establish from time to time Orders shall be submitted to Developer as soon as reasonably practical, but in no event later than Thursday by 5 p m Pacific Time for Orders collected during the prior week (Monday-Sunday) As an example, if the date of a Thursday is the 30th of such month, then Orders executed from the 20th to the 26th of such month need to be submitted on or before the 30th To be considered for acceptance pursuant to Section 4 2, upon receipt by Developer each Order must include (i) a completed Residential Solar Customer Agreement with the signature of the Host Customer and (ii) a Deposit, if a Deposit is called for by the Residential Solar Customer Agreement No Residential Solar Customer Agreement will be binding until accepted in writing by [________]

2 6 Order Acceptance Developer has the right to reject any Order if (i) the Residential Solar Customer Agreement was not generated by the Online Proposal System, (ii) the Residential Solar Customer Agreement has expired based on the date set forth on such Residential Solar Customer Agreement, (iii) the Host Customer does not pass the credit approval process, (iv) the Host Customer is not a Qualified Customer, (v) the Deposit submitted is not at least equal to the Deposit set forth in the Residential Solar Customer Agreement, (vi) insufficiency of Host Customer signature or (vii) at its sole discretion irrespective of the satisfaction of any other criteria, provided in each case that Developer shall do so in writing

within [________] Business Days of Developer's receipt of the Order Delays in Order acceptance beyond [________] Business Days by Developer shall constitute an equitable adjustment to the Guaranteed Substantial Completion Date for each day beyond the [________] Business Days

2 7 Collection of Payments

(a) Deposits If a Deposit is due upon Residential Solar Customer Agreement signing, Installer shall be responsible for collecting such Deposit from the Host Customer and delivering it to Developer along with the Residential Solar Customer Agreement signed by such Host Customer

(b) Initial Payments If the Host Customer pays the Initial Payment in advance of commencement of the Solar Facility installation, then Developer will make reasonable efforts to notify Installer in advance of the scheduled start of work on the Solar Facility If Installer has not received such notice, Installer shall use reasonable efforts to collect the Initial Payment before installation, such payment to be made by Host Customer by check payable to [________] and mailed by Installer to Developer within [________] Business Days of collection If Installer arrives on the job site to commence work on the Solar Facility and the Host Customer does not provide the required Initial Payment, Installer shall use reasonable efforts to notify Developer and shall not proceed with installation of the Solar Facility unless Developer notifies Installer to begin Work on the Solar Facility, such notice to be given within [________] Business Days of Developer's receipt of notice of nonpayment of the Initial Payment by Host Customer Such delay shall pro-rata extend the timelines in this Contract Installer will also be entitled to payment from Developer for all work performed and materials used through the date of work stoppage

(c) Refunds [________] shall solely be responsible for any refunds or other payments made to Host Customer for any reason pursuant to the Residential Solar Customer Agreement or in association with any Finance Partner Product, including but not limited to a cancellation by the Host Customer of the Residential Solar Customer Agreement

2 8 Solar Facility Pricing and Payment

(a) Price Developer agrees to purchase Solar Facilities from Installer for the price provided by the Online Proposal System during the process of generating the Residential Solar Customer Agreement ("Solar Facility Price") Notwithstanding the foregoing, if at any time Installer offers to sell a Solar Facility to a potential Host Customer (i) at a price lower than the Solar Facility Price, (ii) with a guarantee of state or local rebate amounts or (iii) with any other promotion that affects the economics of the proposed Solar Facility for a Host Customer (collectively, an "Installer Discount"), the Solar Facility Price shall be the amount set forth in the first sentence of this Section 2 8(a) less the Installer Discount

(b) Marketing Materials, Training Installer agrees that it will not use sales or marketing materials related to the Finance Partner Products that have not been provided or approved by Developer or [_________] Installer will cooperate with Developer in mandatory training of Installer's sales force regarding sales of the Finance Partner Products Installer agrees to work with Developer to formulate sales and marketing strategies and training procedures, monitor their effectiveness, and make adjustments over time

(c) Marketing Activities Installer agrees to be primarily responsible for conducting all marketing and sales activities regarding the Finance Partner Products in the Installer's Territory involving direct interaction with Host Customers, including marketing campaign development and implementation, Host Customer pre-screening, visits to potential Host Customer's Sites and sales

(d) Origination Platform Developer will provide Installer with a client intake and contracting process, including an electronic origination platform for use in intake, contracting and communicating with Host Customers (the "Origination Platform") The Origination Platform will also perform a number of other proprietary functions related to the management and administration of the program, including but not limited to facilitating various communications, centralizing document submissions and creation, and storing certain data and information Developer will provide Installer with a nonexclusive, revocable, nontransferable license to access and use the Origination Platform during the Term subject to the terms of this Contract Installer acknowledges and agrees that, except for the license identified in this Section, it will not have any right, title or interest in the Origination Platform or any of the intellectual property related thereto

(e) Covenant Against Deceptive Practices Installer agrees to avoid unauthorized, deceptive, misleading or unethical representations or practices with respect to the Residential Solar Customer Agreement, and to act in a manner consistent with all applicable Laws Installer shall follow the Customer Origination Policy, including the requirements regarding switching a Host Customer to a time-of-use rate schedule

(f) Use of Developer Resources Installer agrees to use the resources and support provided by Developer under this Contract solely in connection with its provision of the Work under this Contract

ARTICLE 3– INSTALLER'S TURNKEY OBLIGATIONS

3 1 Statement of Work Based on the terms of this Contract, Installer shall be responsible, and perform or cause to be performed, on a turnkey basis all Work necessary to design, engineer, procure, install, construct, test, commission, and start-up a Solar Facility in accordance with Prudent Practices and the technical specifications set forth in the SFS Work Order Installer's Work shall in all respects be consistent and compatible with Prudent Practices and all applicable Law

3 2 Engineering Installer shall perform or cause to be performed all engineering and design services for completion of the Work in conformity with the technical specifications set forth in the SFS Work Order, as required by applicable Law, and in conformity with Prudent Practices

3 3 Design Installer shall design the Solar Facility based on the Installer's observations of the Host Customer's Site, the technical specifications set forth in the SFS Work Order, in line with the Developer Design Guidelines, as required by applicable Law, and in conformity with Prudent Practices Without the prior written consent of Developer, Installer will not design a Solar Facility that will produce more kilowatt-hours in its first year of operation than the Host Customer consumed during the previous twelve months Installer shall provide all Design Documents to Developer pursuant to Section 4 3, and disclose to Developer any conditions, including anticipated work exclusions, access to or uses of the Host Customer's Site, environmental factors, or evidence of animals on the Host Customer's Site that may impact the security or performance of the Solar Facility as are observable by Installer using Prudent Practices If and only if the applicable Residential Solar Customer Agreement requires it, Installer shall procure the Host Customer's approval for a Solar Facility's design before submitting the design for the Solar Facility to Developer Host Customer approval may either be obtained by signature on the Design Documents, or an email from Host Customer referencing design acceptance and approval

3 4 Solar Facility Procurement and Installation Installer shall furnish all installation and construction services, all administration and superintendence, and, with the exception of [________]-Provided Items, all materials, equipment, and supplies necessary to complete the Work in a manner which shall

(a) Result in a Solar Facility in accordance with the technical specifications set forth in the applicable executed SFS Work Order to this Contract and in accordance with Prudent Practices and the Developer Design Guidelines, and without limiting the generality of the foregoing, conforming all Work to at least the Mandatory Minimum Requirements outlined in Appendix B of the Developer Design Guidelines,

(b) Be in conformance with applicable Laws,

(c) Shall use equipment from approved vendors as updated from time to time

3 5 Employment of Licensed and Qualified Personnel Whenever required by applicable Law, Installer agrees to use licensed personnel in the performance of the Work All such Work will be performed with the degree of care, skill and responsibility ordinary and customary among such licensed personnel In no event shall Installer be relieved of any responsibility for the performance of such Work, and Installer shall be held to the same degree of responsibility and liability for such Work as the licensed personnel performing such Work

3 6 Control of the Work Installer shall be solely responsible for all means, methods, techniques, sequences, procedures, and safety and security programs and precautions in connection with the performance of the Work

3 7 Material Control and Handling Installer shall properly store and protect all materials and equipment acquired by Installer or delivered to the Host Customer's Site or otherwise to the care custody and control of Installer Installer shall prominently mark all photovoltaic modules and inverters as the exclusive property of [________]

3 8 Labor, Materials and Utilities Installer shall provide and pay for all labor, materials, equipment, tools, supervision, testing, inspection, and other services as necessary to complete performance of the Work

3 9 Clean-Up Installer shall ensure that at the end of each Business Day the Host Customer's Site is reasonably free from waste materials or rubbish caused by the Work Before Final Completion, Installer shall have removed all tools, construction/installation equipment, machinery, surplus materials, waste material and rubbish from and around the Host Customer's Site

3 10 Safety Installer shall initiate, maintain and supervise all safety precautions necessary to comply with all applicable provisions of federal, state and local safety Laws in order to prevent injury to persons or damage to property on, about or adjacent to the Host Customer's Site

3 11 Emergencies For any emergency endangering life or property, Installer shall take such action as may be reasonable and necessary to prevent, avoid or mitigate damage, injury or loss and shall report as soon as possible any such incidents, including Installer's response thereto, via a telephone call within twelve (12) hours of the incident and shall provide written notice to Developer promptly thereafter

3 12 Governmental Authorizations Subject to the exclusion provisions of Section 3 15, Installer shall ensure that all Governmental Authorizations relating to construction and/or installation of the Solar Facility and the performance of the Work have been secured and paid

3 13 Laws and Regulations Installer shall at all times comply with all applicable Laws which affect Installer's performance of the Work If, after the execution of this Contract, a change occurs to any Law which materially affects Installer's performance of the Work, then Installer shall notify Developer in writing of such change

3 14 Drawings Installer shall prepare and submit with Installer's notice of Substantial Completion (described in Section 10 3) a complete set of "as-built" drawings, specifically including a site plan (e g roof layout) and a single-line diagram, in Adobe PDF or other format acceptable to Developer depicting the Solar Facility as installed and constructed pursuant to this

Contract and the SFS Work Order Acceptable drawing document formats are listed in Exhibit E If these documents have not changed from the Design Documents approval stage, then the Design Document versions shall suffice as "as-built drawings" for purposes of this Section 3 14

3 15 Exclusions This Contract shall exclude the activities listed in Exhibit F

3 16 Liens

(a) Liens in General Installer shall promptly pay or discharge (and properly record any discharge), any such Lien or other charges which, if unpaid, might be or become a Lien provided that Developer is not in breach of its payment obligations to Installer hereunder If Developer has a bona fide dispute with Installer, Developer may post a bond or a letter of credit paid for by Installer and issued by a commercial bank assigned a rating of at least "A" by Standard & Poor's or other similarly recognized national rating agency, or an escrow of funds ("Lien Security") sufficient to satisfy Installer's claim Installer shall indemnify, defend, hold harmless and protect Developer from and against any and all Liens pursuant to Article 9 Developer shall promptly provide all information reasonably necessary for Installer to file customary Liens upon Installer's request Installer may only file such customary Liens upon Developer's interest in the Solar Facility, the Work, or the Design Documents of the applicable Solar Facility

(b) Failure to Discharge Improper Liens Installer hereby agrees not to place a Lien on any Solar Facility or Host Customer's Site Any Lien placed on a Solar Facility or Host Customer's Site shall be deemed an improper Lien Upon the failure of Installer to promptly pay, discharge or provide Lien Security within [________] Business Days of notice that the Solar Facility or the Host Customer's Site has been improperly Liened, Developer may pay or discharge such Lien and immediately invoice Installer for such amounts or set off such amounts against subsequent amounts due and owing under the applicable SFS Work Order, and if amounts due under such applicable SFS Work Order are insufficient, other SFS Work Orders If Developer invoices Installer for Developer's discharge of an improper Lien, Installer shall promptly, but in no event more than [________] Business Days, reimburse Developer Installer shall indemnify, defend and hold Developer harmless for any improper Lien (including payment of any reasonable attorney's fees and costs Developer may incur in removing any improper Lien)

(c) Lien Waivers Upon each payment by Developer to Installer, Installer will submit the appropriate waiver and release form(s) in accordance with Section 6 4 of this Contract

ARTICLE 4 – NOTICE TO PROCEED AND COMPLETION OF WORK

4 1 Project Schedule and Information Rights

(a) Time is of the Essence Time is of the essence for achieving Substantial Completion under each SFS Work Order Installer shall administer and perform the Work in accordance with the Project Schedule

(b) Progress Measurements Installer shall measure the progress on each Solar Facility on a weekly basis and provide a weekly narrative in the format required by Developer

(c) Recovering a Project Schedule If the performance of the Work under any SFS Work Order is not timely such that it is reasonably likely that the Guaranteed Substantial Completion Date set forth herein shall not be met for any reason other than an Unexpected Delay, Installer shall take all necessary commercially reasonable actions, including working overtime, weekend and holiday work, or adding additional personnel or work crews at no cost to Developer to accelerate performance of the Work, meet the Milestones and assure achievement of Substantial Completion by the Guaranteed Substantial Completion Date If Installer's failure (other than due to an Unexpected Delay) to adhere to the Project Schedule causes Developer to incur additional costs before the Guaranteed Substantial Completion Date, Developer shall submit an invoice to Installer accompanied by documentation verifying such costs Installer shall pay or reimburse Developer therefor or, at Developer's discretion, Developer shall have the right and Installer hereby authorizes Developer to set off such amounts from amounts due to Installer from future Payment Milestones If Developer has not received reimbursement or set-off authorization for such costs or a notice from Installer invoking the dispute resolution provisions of Section 13 within [________] Business Days of Developer's submission of its invoice, Developer shall be deemed authorized to set off such amounts against amounts due to Installer as of the next Payment Milestone Should any Milestone not be met due to an Unexpected Delay, Installer shall be entitled to a Change Order equitably adjusting the Guaranteed Substantial Completion Date upon Installer's request in accordance with Article 5

4 2 Commencement of Work, New Deal Processing

(a) Commencement of Work The Project Schedule for Work for a particular Solar Facility covered by a particular SFS Work Order shall commence on the Customer Signing Date Within [________] Business Days of the Customer Signing Date, Installer shall make commercially reasonable efforts to submit to Developer (i) the SFS Work Order, executed by Installer, (ii) the corresponding Host Customer's Residential Solar Customer Agreement in a form substantially similar to the template agreement provided by [________], executed by the Host Customer, and (iii) the rebate calculation as defined by the relevant state rebate program (e g the California Solar Initiative) or other similar rebate granting authority in the Installer's Territory

(b) Processing by Developer Once the fully-completed documents referenced in Section 4 2(a) are received by Developer, Developer shall use reasonable efforts to process the new deal and execute and deliver to Installer the SFS Work Order within [________] Business Days Should Developer fail to process the new deal and execute and deliver to Installer the SFS Work Order within [________] Business Days of receiving the foregoing documents, Installer's exclusive remedy shall be a day for day extension of the Guaranteed Substantial Completion Date, equivalent to the number of Business Days of Developer's delay in executing and delivering the SFS Work Order Developer shall state the revised Guaranteed Substantial Completion Date in writing in conjunction with Developer's delivery of the executed SFS Work Order to Installer

4 3 Design Document Submission and Processing Installer shall provide all Design Documents to Developer no later than [________] Business Days following receipt of the Host Customer's approval for a Solar Facility's design pursuant to Section 3 3 Developer shall respond to Installer within [________] Business Days of receipt of the Design Documents and state if the Design Documents are acceptable or unacceptable If the Design Documents are unacceptable to Developer or require revisions, Developer shall notify Installer within [________] Business Days of receipt Should revisions be required for reasons other than Installer's failure to design the Solar Facility to meet the technical specifications set forth in the SFS Work Order or other requirements set forth in this Contract (e g , Developer adjusts the technical specifications set forth in the SFS Work Order upon further consideration), Installer shall be entitled to an equitable adjustment to the Guaranteed Substantial Completion Date and Installer Contract Price pursuant to Section 5 Installer shall use its best commercial efforts to correct and re-submit the Design Documents to Developer within [________] Business Days of Developer's notice that the Design Documents are inadequate or require revision If the revised Design Documents are unacceptable to Developer or require revisions, Developer shall notify Installer within [________] Business Days of receipt This process shall repeat until the Design Documents are approved by Developer

4 4 Notice to Proceed Installer shall provide evidence of a submitted application for a rebate reservation in accordance with Section 4 6(a) satisfactory to Developer in its reasonable discretion before or concurrent with Installer's request in writing (email acceptable) of a notice to proceed with procurement, installation, construction, testing, commissioning, and start-up of the Solar Facility Developer shall respond in writing (email acceptable) within [________] Business Days Installer shall not commence with procurement, installation, construction, testing, commissioning, and start-up of the Solar Facility until Developer has provided Installer with a notice to proceed For any action, inaction, restraint, order, or decree by a Governmental Authority that will have a material adverse impact (economic or otherwise) on Developer's performance under this Contract, Developer, in its sole discretion, may suspend its issuance of a notice to proceed until such time as Developer decides to proceed with the Solar Facility Developer, in its sole discretion, may suspend its issuance of a notice to proceed until Developer decides to proceed with the Solar Facility Should Developer fail to provide a notice to proceed for any reason, Installer's sole and exclusive remedy shall be an adjustment of the Guaranteed

Substantial Completion Date to a later date Such adjustment shall be equivalent to the number of Business Days corresponding to Developer's delay in issuing the notice to proceed Developer, in its sole discretion, shall have the right to suspend notice to proceed already granted on any Solar Facility that Developer believes in its reasonable discretion to have violated the provisions of this Contract or if Installer is otherwise in breach of this Contract as it relates to the Solar Facility in question

4 5 Guarantee of Timely Completion, Guaranteed Substantial Completion Date

(a) Target Substantial Completion Date Installer shall use all commercially reasonable efforts to achieve Substantial Completion no later than [________] days following the Customer Signing Date, as adjusted pursuant to this Article 4 or as a result of Unexpected Delays ("Target Substantial Completion Date")

(b) Guaranteed Substantial Completion Date Installer guarantees that it shall achieve Substantial Completion no later than [________] days following the Customer Signing Date, as adjusted pursuant to this Article 4 or as a result of Unexpected Delays ("Guaranteed Substantial Completion Date")

(c) Delay Fee If, at the end of each calendar month, [________] or more of outstanding SFS Work Orders have exceeded the Guaranteed Substantial Completion Date, Developer may assess, and Installer agrees to pay a fee for delay ("Delay Fee") in the amount of [________] for each SFS Work Order which has exceeded the Guaranteed Substantial Completion Date The percentage shall be calculated as the number of SFS Work Orders exceeding the Guaranteed Substantial Completion Date divided by the number of all executed SFS Work Orders that have not yet reached Substantial Completion Developer may invoice Installer on a monthly basis for Delay Fees accruing under any SFS Work Order Installer shall pay such Delay Fees within [________] Business Days following Developer's issuance of such invoice Alternatively, Developer may set off such amounts against subsequent amounts due and owing to Installer under this Contract Delay Fees not paid when due (and if not set off by Developer) shall accrue interest at the Default Rate until paid Any delay in Developer enforcing this provision, invoicing or setting off Delay Fees shall not be a waiver of Developer's rights to Delay Fees pursuant hereto Each quarter, Developer shall use best commercial efforts to provide Installer with a notice, the specifics of which shall be agreed upon by the Parties, setting forth the SFS Work Orders that Developer believes are beyond the Guaranteed Substantial Completion Date and are therefore subject to Delay Fees

(d) Financial Fund Target Substantial Completion Date In addition to the above Target Substantial Completion Date, Installer shall use all commercially reasonable efforts to achieve Substantial Completion no later than [________] days following the achievement of Milestone 1 ("Financial Fund Target Substantial Completion Date")

(e) Financial Fund Guaranteed Substantial Completion Date In addition to the above Guaranteed Substantial Completion Date, Installer guarantees that it shall achieve Substantial Completion no later than [________] days following achievement of Milestone 1 ("Financial Fund Guaranteed Substantial Completion Date") The Financial Fund Guaranteed Substantial Completion Date may only be adjusted as provided in this Contract (e g , in the event of Unexpected Delays) or by mutual agreement of the Parties

(f) Financial Fund Related Delay Fee If an SFS Work Order exceeds the Financial Fund Guaranteed Substantial Completion Date and does not achieve Final Completion within [________] days of achieving Milestone 1 ("PTO Deadline"), Developer may assess, and Installer agrees to pay a fee for delay ("Financial Fund Delay Fee") in the amount of [________] of the Contract Price for the relevant SFS Work Order which has exceeded the Financial Fund Guaranteed Substantial Completion Date and not achieved the PTO Deadline Developer may invoice Installer immediately for Financial Fund Delay Fees accruing under any SFS Work Order Installer shall pay such Financial Fund Delay Fees within [________] Business Days following Developer's issuance of such invoice Alternatively, Developer may withhold future Milestone Payments and off-set such Financial Fund Delay Fee amounts against subsequent amounts due and owing to Installer under this Contract Financial Fund Delay Fees not paid when due (and if not set off against future Milestone Payments by Developer) shall accrue interest at the Default Rate until paid Any delay in Developer enforcing this provision, invoicing or setting off Financial Fund Delay Fees shall not be a waiver of Developer's rights to Financial Fund Delay Fees pursuant hereto Each quarter, Developer shall use best commercial efforts to provide Installer with a notice, the specifics of which shall be agreed upon by the Parties, setting forth the SFS Work Orders that Developer believes are beyond the Financial Fund Guaranteed Substantial Completions Date and are therefore subject to Financial Fund Delay Fees

4 6 Rebate Reservation, Processing

(a) Installer shall reserve the rebate(s) applicable for the Solar Facility promptly after Installer's receipt of the SFS Work Order executed by Developer in accordance with Section 4 2(a) Installer shall be solely responsible for preparing and submitting all Rebate Documentation required to reserve the rebate Installer's delivery to Developer of evidence of rebate reservation satisfactory to Developer in its sole discretion shall be a condition precedent to Developer's issuance of a notice to proceed for a Solar Facility in accordance with Section 4 4

(b) If, because of the Installer's actions, [________] does not receive the rebate amount as recorded on the SFS Work Order, then Developer shall be allowed to withhold the amount of difference in rebate from the final Milestone Payment made on such SFS Work Order, or from Milestone payments made on future SFS Work Orders

(c) No later than [________] Business Days from the date the Solar Facility receives its PTO Approval from the applicable Utility (the "Rebate Filing Date"), Installer shall file or cause to be filed the applicable Rebate Documentation required for [________] to receive payment of the rebate and shall notify Developer in writing of such filing Installer shall be liable for failure to receive the applicable rebate amount as set forth in the rebate reservation in the Rebate Documentation

ARTICLE 5 – CHANGE ORDERS

5 1 Change Orders Developer may submit Change Orders to Installer to perform extra work or to alter, add to or deduct from the Work No extra work or changes to the Work shall be made until such time as a Change Order has been executed by the Parties and Installer has been notified by Developer to commence performance of such extra work or changes to the Work All Change Orders shall be in writing and shall be executed by Developer and Installer Change Orders can include a change in the Guaranteed Date of Substantial Completion

5 2 Installer's Change Request Installer may submit an Installer's Change Request to Developer Developer, in its sole discretion, can (i) accept, in whole or in part, Installer's Change Request and execute a Change Order accordingly, (ii) request Installer to revise or modify Installer's Change Request, or (iii) deny Installer's Change Request, in whole or in part, provided, however, any such denial in whole or part shall be subject to Installer's commercially reasonable ability to perform the Contract under those terms

5 3 Concealed Conditions Concealed conditions that materially affect the Work and were not observable by Installer using Prudent Practices when the Work was bid to Developer may require a Change Order or Installer's Change Request in accordance with Article 5

5 4 Host Customer Delay If the Host Customer delays installation of the Solar Facility by [________] months or more from the date of execution of the applicable SFS Work Order, then the Parties may agree to either (i) issue a Change Order in accordance with Article 5, or (ii) if no such Change Order can be agreed upon either Party may cancel the SFS Work Order for that Solar Facility Host Customer Delay may include the time required to perform services listed in Exhibit F by Installer for Host Customer, performed under a separate agreement between Installer and Host Customer that are necessary to prepare the Host Customer's Site for completion of the Work required herein

5 5 Optional Cancellation of SFS Work Orders by Developer

(a) Developer's Right to Cancel The Parties acknowledge and agree that the Residential Solar Customer Agreement provides the Host Customer and [________] with the right to cancel such Residential Solar Customer Agreement in certain circumstances Should either Host Customer or [________] cancel the Residential Solar Customer Agreement or such agreement is otherwise terminated according to its terms before full performance of the applicable SFS Work Order by Installer, Developer shall have the right, upon written notice to Installer, to cancel the applicable SFS Work Order

(b) Developer's Right to Terminate for Convenience In addition to the foregoing, Developer may terminate this Contract or any SFS Work Order by providing written notice to Installer that contains a termination effective date that is not less than [________] from the date of such notice Upon such termination, unless the termination notice provides otherwise, the Parties may, at Developer's discretion as set forth in the notice, fulfill the SFS Work Orders executed as of the termination notice date and this Contract shall terminate upon the completion of all Work related to the Solar Facilities contemplated by such SFS Work Orders

(c) Developer's Right to Cancel for Lack of Timely Progress If Developer has not received Design Documents and a Notice to Proceed request within [________] of the Customer Signing Date, Developer may cancel each such relevant SFS Work Order with [________] days written notice to Installer

(d) Installer's Obligations Upon Cancellation of an SFS Work Order Upon Installer's receipt of notice cancelling an SFS Work Order pursuant to Section 5 5(a) or Section 5 5(b) or Section 5 5(c), Installer shall, unless the notice directs otherwise

(i) Immediately discontinue the Work on the date and to the extent specified in such notice and make the Work ready for use under other SFS Work Orders or storage as may be directed by Developer,

(ii) Place no further orders for materials or equipment or enter into contracts relating to such SFS Work Order,

(iii) Promptly make every reasonable effort to procure cancellation upon terms satisfactory to Developer of all orders, contracts and rental agreements relating to the SFS Work Order, or modification of such orders, contracts and rental agreements to account for cancellation of such SFS Work Order,

(iv) Deliver to Developer all information prepared hereunder for the Solar Facility as may be reasonably requested by Developer and which has been paid for by Developer, including all Design Documents, Rebate Documentation, as-built drawings (completed or in progress), and other information prepared hereunder as of the date of termination and assign to Developer or its designee, to the extent assignable, all issued Governmental Authorizations and other rights and documents referenced herein, and

(v) Thereafter execute only that portion of the Work under such cancelled SFS Work Order as may be directed by Developer to preserve and protect the Work already in progress and any equipment and materials present on the Host Customer's Site or in transit thereto

(e) Installer's Remedies Installer waives any claims for consequential damages, including loss of anticipated profits for uncompleted Work, on account of a cancellation or termination by Developer pursuant to Section 5 5 and shall accept as its sole remedy payment of (i) the Installer Contract Price attributable to the Work (including any Work in progress and equipment and materials purchased) properly performed by Installer under the SFS Work Order as of the effective date of cancellation provided that such Work is properly evidenced in such manner reasonably requested by Developer, (ii) reimbursement for any Installer termination costs provided that such termination costs are properly evidenced in such manner reasonably requested by Developer, and (iii) any other out-of-pocket costs and expenses reasonably incurred by Installer as a result of such cancellation which, under the circumstances and Installer's exercise of reasonable diligence, cannot reasonably be avoided by Installer and are a direct result of such termination and provided that such Work is properly evidenced in such manner reasonably requested by Developer Installer shall use its best efforts to minimize any such costs of cancellation For the avoidance of doubt, the Parties agree that any costs or compensation for customer acquisition costs or costs or compensation related sales or marketing activities shall not be included in the payments Developer is entitled to under this Section 5 5(e) Developer shall direct Installer to either, at Developer's option, retain all equipment and materials procured for use in performing the Work under such cancelled SFS Work Order for use in association with performing Work under other executory or future SFS Work Orders, or shall provide shipping instructions to Installer to have such equipment and materials delivered to Developer at Developer's expense Payments for cancellation under this Section 5 5 shall be due within [________] Business Days of Developer's receipt and acceptance of a substantiated, itemized invoice and the delivery of any such Work pursuant to the previous sentence (if such delivery is Developer's selected option)

ARTICLE 6 – INSTALLER CONTRACT PRICE AND PAYMENT TERMS

6 1 Amount Developer shall pay to Installer the lump sum Installer Contract Price set forth in each SFS Work Order in accordance with the provisions of this Article 6 The Installer Contract Price for each SFS Work Order may be adjusted solely pursuant to a written Change Order as set forth in Article 5

6 2 Payment Schedule Developer shall make progress payments based on Installer's completion of the Milestones and events specified in Exhibit C to this Contract Payments shall be made to the bank account of Installer set forth on Schedule 1 Developer shall pay the amount specified for each Milestone according to the terms specified in Exhibit C of this Contract (each a "Milestone Payment") subject to Section 6 2(d) and/or other provisions of this Contract which allow for offset and withholding of Milestone Payment

(a) Requests for Payment, Processing When Installer believes it has achieved a Milestone under an SFS Work Order, Installer shall send Developer a request for payment ("Request for Payment") Each Request for Payment shall contain a completed Milestone Verification Statement signed by the Host Customer and all evidence required by the Milestone Verification Statement Installer shall submit Milestone Verification Statements as well as the relevant documentation and notices for each Milestone as set forth in Exhibit C within [________] Business Days of achieving each relevant Milestone Installer shall be in breach of this Contract if it does not timely submit Milestone Verification Statements and relevant documentation and notices as set forth in Exhibit C to Developer within [________] Business Days of achieving each relevant Milestone Installer acknowledges and agrees that a breach of this provision by Installer may cause substantial damages to Developer Developer may either accept the required documents for the relevant milestone, and the relevant attachments and evidence set forth in the Milestone Verification Statement or physically inspect the Solar Facility within [________] Business Days' notice of the Milestone completion Developer shall make a verification decision within [________] Business Days of any of the above actions Installer shall not be deemed to have delivered a Request for Payment for Milestone 2 until all additional Work required to satisfy the conditions in Section 10 3 has been completed Installer shall not be deemed to have delivered a Request for Payment for Milestone 3 until all additional Work required to satisfy the conditions in Section 10 5 has been completed

(b) Payment to Supplier Developer and Installer agree that Solar Universe, Inc , may submit an invoice to Developer for (i) the materials used in the construction of the Solar Facility, (ii) royalty fees related to the Solar Facility, (iii) call center fees related to the Solar Facility, and (iv) any other fees authorized (as shown by Installer's signature on such invoice) by Installer (the "Invoice") If an Invoice is submitted to Developer by Solar Universe, Inc or Installer, then Installer hereby expressly authorizes Developer to transmit the Milestone Payment that Developer receives from [________] upon completion of Milestone 2 directly to Solar Universe, Inc on Installer's behalf to satisfy the Invoice

(c) Delay of Milestone 2 Payment If Installer has not made a completed Request for Payment for Milestone 2 within [________] after Installer has made a completed Request for Payment for Milestone 1, then Developer may withhold the cash portion of the Milestone 2 Payment and only pay such cash portion to Installer when Developer pays the Milestone 3 Payment to Installer

(d) Payment Delays Installer hereby expressly agrees and acknowledges that if the Installer Delay Percentage for any Delaying Utility exceeds the Installer Delay Percentage Limit, Developer may in its sole and reasonable discretion (i) suspend the issuance of any new notices to proceed regarding Solar Facilities that would be connected to such Delaying Utility, and (ii) suspend any payments due to Installer on Solar Facilities that would be connected to such Delaying Utility Developer's obligation to make payments or issue a notice to proceed shall resume for Solar Facilities that would be connected to such Delaying Utility when the Installer Delay Percentage of such Delaying Utility is reduced below [________] ("Installer Delay Percentage Limit")

6 3 Payment for Change Orders If Installer has performed Work in accordance with a Change Order to this Contract and Installer desires to receive payment for such Work, Installer shall include the following as part of the payment request

(a) Each Change Order number for which Work has been performed,

(b) The price of each Change Order, and

(c) The amount of payment being requested under each Change Order

Upon receipt of the above and subject to Developer's verification and approval, Developer will pay [________] percent of the amount specified for the Change Order Work within [________] Business Days The remaining [________] percent of the Change Order Work price shall be paid to Installer [________] Business Days following the date Installer achieves Final Completion

6 4 Waiver of Liens Upon each payment by Developer, Installer will submit the appropriate waiver and release form required under California Civil Code 3262 or a substantially similar waiver and release form acceptable under the governing law of the State where the Solar Facility is located So long as the Installer has been paid to the extent required under the terms of this Contract, the Installer shall promptly upon receipt of payment for a Milestone, but in any event within [________] Business Days after notice from Developer thereof, discharge and release any Liens filed by Installer in connection with the Work, including all expenses and attorneys' fees incurred by Installer in discharging any such Liens by bonding, payment or otherwise If Installer fails to discharge any Lien(s) upon Developer, [________], the Assignee, the Host Customer's Site, the Solar Facility, or upon any other Work within such [________] Business Day period, Developer shall have the right, at its option, to pay or settle such Lien(s) and Installer shall, within [________] Business Days of request by Developer, reimburse Developer for all costs incurred by Developer to discharge such Lien(s) including administrative costs, attorneys' fees and other expenses If Installer fails to reimburse Developer within [________] Business Days pursuant hereto, Developer, at its sole discretion, shall have the right to offset and withhold from Milestone Payments any costs incurred in discharging a Lien including administrative costs, attorney's fees and other expenses

6 5 Withholding Developer may elect to withhold amounts payable under a payment request to such extent necessary, in Developer's reasonable discretion, because of

(a) Defective Work that has not been remedied,

(b) A reduction in an expected rebate (except for any such reduction that is due to [________]'s or Developer's actions) as provided in Section 4 6(b),

(c) Third party claims filed or reasonable evidence indicating probable filing of such claims, provided that any such outstanding withholding for such claims shall not exceed the amount of Developer's actual costs and expenses defending and settling such claims,

(d) Claims for which Developer is entitled to indemnification,

(e) Physical damage to the project site, Developer, [________] or any related third party, and

(f) As otherwise specifically provided in this Contract

6 6 Late Payments Interest in the amount of the Default Rate will be charged to payments past due according to the terms set forth in Exhibit C A payment shall not be deemed late if the payment, or any portion thereof, is disputed, withheld pursuant to Section 6 5, or otherwise reasonably contested under the terms of this Contract by Developer

6 7 Taxes The Installer Contract Price expressed in any SFS Work Order includes all taxes (including sales, use, excise, ad valorem, service, business, occupation or similar taxes), assessments, duties, tariffs, levies, charges and rates ("Taxes") that are imposed by any Governmental Authority on or for the Solar Facility, the Work and Installer, including all income tax imposed on Installer, employee benefit taxes (whether imposed on Developer or Installer), fees for Governmental Authorizations for which Developer is responsible under this Contract, taxes imposed upon the Work or wages of Installer's employees, agents and representatives If Developer pays any such Taxes or fees set forth above on account of Installer, Developer may either invoice Installer for such amounts or set off such amounts against amounts due and owing under the applicable SFS Work Order or other future Milestone Payments From time to time, but no more than once per quarter, Developer may request and Installer shall deliver evidence of the taxes paid by Installer under this Contract and any applicable SFS Work Order

ARTICLE 7 – TITLE; RISK OF LOSS; SECURITY INTEREST; FORCE MAJEURE

7 1 Passage of Title Provided that Developer complies with its payment obligations hereunder, Installer represents and warrants that (1) legal title to and ownership of all solar photovoltaic modules and inverters, shall pass to Developer free and clear of any and all Liens as warranted in Section 11 upon Installer's submission of the Request for Payment for Milestone 1 or any evidence of an accounting adjustment for any Milestone 1 payment which was withheld or offset pursuant to this Contract, and (2) legal title to and ownership of all other materials and equipment shall pass to Developer free and clear of any and all Liens as warranted in Section 11 upon Installer's submission of the Request for Payment for Milestone 3 or any evidence of an accounting adjustment for any Milestone 3 payment which was withheld or offset pursuant to this Contract

7 2 Risk of Loss Developer shall assume the risk of loss for all materials and equipment incorporated into the Work upon Installer's submission of the Request for Payment for Milestone 3

7 3 Force Majeure Each Party shall be excused from performance and shall not be considered to be in default of any obligation hereunder, except for Developer's obligation to pay money in a timely manner for services actually performed by Installer or other liabilities actually

incurred by Developer, if and to the extent that its failure of, or delay in, performance is due to a Force Majeure Event, provided that

(a) such Party gives the other Party written notice describing the particulars of the Force Majeure Event as soon as is reasonably practicable,

(b) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event,

(c) no obligations of the Party that arose before the occurrence causing the suspension of performance shall be excused as a result of the occurrence of the Force Majeure Event unless the performance of such obligations is impaired by the Force Majeure Event,

(d) the Party uses commercially reasonable efforts to overcome or mitigate the effects of the Force Majeure Event, and

(e) when the Party is able to resume performance of its obligations under this Contract, such Party shall give the other Party written notice to that effect and shall promptly resume performance hereunder

ARTICLE 8 – INSURANCE

8 1 Coverage Installer shall provide for and maintain commencing with Developer's issuance of the notice to proceed and continuing uninterrupted until at least the expiration of Installer's warranty obligations under this Contract, the following minimum insurance coverage, written with carriers acceptable to Developer

(a) Workers' compensation, subject to statutory limits,

(b) Commercial general liability, in an amount not less than one million ($1,000,000) dollars per occurrence and two million ($2,000,000) dollars annual aggregate, provided the annual aggregate will apply separately to the Work under this Contract, including, but not limited to, premises-operations, products-completed operations hazard, contractual liability, broad form property damage, personal injury, and coverage for subcontractors and/or independent contractors,

(c) Commercial automobile liability, in an amount not less than a combined bodily injury and property damage limit of one million ($1,000,000) dollars per accident covering hired, owned, and non-owned vehicles, and

(d) Any other insurance required by applicable Laws

The insurance policies procured by Installer pursuant to this Article 8 shall provide Developer with a minimum of 10 days' notice upon non-payment and a minimum of 30 days in all other events of cancellation or material change

8 2 Subrogation All of Installer's insurance policies procured pursuant to Section 8 1 shall include a waiver of subrogation by the insurers in favor of Developer, [________], and [________]'s lenders, and each of their respective assignees, affiliates, agents, officers, directors, employees, insurers or policy issuers and a waiver of any right of the insurers to any set-off or counterclaim, whether by endorsement or otherwise, in respect of any type of liability of any of the Persons insured under any such policies

8 3 Additional Insured The insurance policies procured by Installer pursuant to Sections 8 1(b), (c) and (d) shall name Solar Universe, Inc , SUN Finance and Service, LLC and [________] as an additional insured, and shall also name additional insured entities as set forth in Exhibit D

8 4 Certification Before commencement of the Work, Installer shall furnish to Developer certificates of insurance indicating that the insurance coverage and conditions set forth in this Article 8 have been put in place Upon the request of Developer, Installer shall provide certified copies of the insurance policies as described in Section 8 1, excluding for such documents only those sections describing the premium amounts paid therefore However, Installer shall be solely responsible for the timely payment in full of premiums for all such insurance procured pursuant to this Article 8

8 5 Insurance Review At least once annually, on or before the anniversary of the Effective Date, Developer and Installer shall meet to evaluate and revise, at Developer's reasonable discretion, the insurance amounts and coverage maintained by Installer pursuant to this Contract

ARTICLE 9 – INDEMNIFICATION

9 1 Indemnification by Installer Installer shall indemnify, defend and hold harmless Developer, and its respective officers, directors, agents, employees, and assigns from and against any and all Claims and Liens with respect to any third party, whether arising in equity, at common law, or by statute, under any legal theory, for (i) the bodily injury (including death) or property damage to such third party to the extent caused by the negligence or willful misconduct of, or violation of laws or uncured breach of this Contract or an SFS Work Order by, Installer, (ii) any damage or loss caused by Installer's violation of laws or breach of the Contract and (iii) for remedial obligations and response costs resulting from Installer's violation of applicable Law or breach of this Contract or an SFS Work Order by Installer This indemnification obligation shall apply regardless of the amount of insurance coverage held by Developer or [________]

9 2 Indemnification by Developer Developer shall indemnify, defend and hold harmless Installer, its officers, directors, agents, employees, and assigns from and against any and all Claims with respect to any third party, whether arising in equity, at common law, or by statute, under any legal theory, to the extent caused by or resulting from the negligence or willful misconduct of, or violation of laws by or any breach of this Contract or an SFS Work Order by, Developer, [________] or any of their directors, officers, employees or agents This indemnification obligation shall apply regardless of the amount of insurance coverage held by Installer

9 3 Obligations of Indemnifying Party If Installer determines that it is entitled to indemnification under this ARTICLE 9, Installer shall promptly notify Developer in writing of the loss, and provide all reasonably necessary or useful information, assistance and authority to settle and/or defend any loss In the event of a loss claimed by a third party, the selection of counsel, the conduct of the defense of any lawsuit, arbitration, or other proceeding, and any settlement shall solely be within Developer's control, provided that the Installer shall have the right to participate in the defense of such loss using counsel of its choice, at its expense If Developer determines that it is entitled to indemnification under this ARTICLE 9, Developer shall promptly notify the Installer in writing of the loss or claim In the event of a loss or claim by a third party, the selection of counsel, the conduct of the defense of any lawsuit, arbitration, or other proceeding, and any settlement shall solely be within the Developer's control, provided that the Installer shall have the right to participate in the defense of such claim or loss using counsel of its choice, at its expense Before the finalization of any settlement or claim, Developer shall use reasonable efforts to confer with Installer regarding such settlement Developer shall invoice any settlement amounts to Installer which shall be paid within [________] Business Days of receipt or Developer shall have the right to offset and withhold such settlement amounts from Milestone Payments

9 4 Comparative Fault For purposes of indemnification, it is the intent of the Parties that where, as between Parties, gross negligence is determined to have been joint or contributory, principles of comparative fault shall be followed and each party shall bear the proportionate cost of any loss, damage, expense or liability attributable to that Party's negligence

ARTICLE 10 – TESTING, SUBSTANTIAL COMPLETION, AND FINAL COMPLETION

10 1 Notice of Application to Interconnect, ITC Damages

(a) Notice of Application to Interconnect Installer shall provide Developer with written notice (the "Interconnection Application Notice") of completion and submission to the Utility of the application to interconnect the Solar Facility to the Utility's grid The Interconnection Application Notice shall be uploaded to the Origination Platform no later than [________] Business Days following submission of the completed final interconnection application to the Utility Installer shall not proceed with activating the Solar Facility to the

Utility's grid until a PTO Approval has been issued by the Utility for the Solar Facility and Developer has provided notice to activate the Solar Facility

(b) ITC Jeopardy, Installer's Failure to Timely Provide Notices The date on which the first of the following notices are received by Developer shall be deemed the "Construction-In-Progress Date" (i) completion of Milestone 1 as defined in Exhibit C, (ii) completion of Milestone 2 as defined in Exhibit C, (iii) the successful testing of the Solar Facility pursuant to Section 10 2, and (iv) the Interconnection Application Notice Should the date of the PTO Approval not be at least [________] Business Days later than the Construction-In-Progress Date, Assignee's ability to claim the ITC may be jeopardized ("ITC Jeopardy") If, in a case of ITC Jeopardy, in its sole discretion, Developer determines that the ITC will not be available to the Assignee for the particular SFS Work Order, Installer and Developer agree that Developer's exclusive remedy shall be a reduction in the Installer Contract Price associated with the applicable SFS Work Order by [________] ("ITC Damages") Installer shall pay such ITC Damages within [________] days following Developer's issuance of such invoice Alternatively, Developer may set off such amounts against subsequent amounts due and owing under this Contract of the applicable SFS Work Order ITC Damages not paid when due (and if not set off by Developer) shall accrue interest at the Default Rate until paid If [________] or the Assignee subsequently obtains some or all the benefit of the ITC, or the benefit of any other similar or replacement monetary tax credit or incentive program, for example in a later year, Developer shall promptly pay to Installer a corresponding amount, up to the amount previously paid by Installer as ITC Damages for the particular SFS Work Order Developer acknowledges that as long as cash grants are available under Section 1603 of The American Recovery and Reinvestment Act of 2009, ITC Damages will not apply For any SFS Work Orders entered into after December 31, 2016, the ITC Damages percentage shall equal [________]

10 2 Testing All equipment shall be tested to confirm that the equipment (i) performs to the technical specifications set forth in the SFS Work Order, (ii) adheres to the manufacturer's installation specifications and installation standards, and (iii) is tested in accordance with Exhibit G A Developer representative has the right to witness the testing Developer shall notify Installer in writing or by email upon completion of testing if the Solar Facility failed the test If the Solar Facility fails the test, then Installer shall take all reasonable steps necessary to permit the Solar Facility to pass the tests identified in this Section 10 2 and the test procedure set forth herein shall be repeated until the Solar Facility passes the test To the extent Installer incurs, or will incur, additional costs to permit the Solar Facility to pass the test due to a problem with the [________] Provided Items, Installer shall submit an executed Installer's Change Request reflecting the additional Work and cost to Developer and Developer shall promptly accept and execute a Change Order for such request Developer or its designee will use Prudent Practices to perform subsequent tests remotely [________] may check the meter reading at the Host Customer's Site or via its proprietary Internet monitoring system to verify the Solar Facility generation performance in accordance with the technical specifications set forth in the SFS Work Order

10 3 Substantial Completion When Installer believes it has achieved Substantial Completion, it shall notify Developer in writing by sending Developer a Milestone Verification Statements, which shall include a copy of the completed inspection certificate signed by the applicable Governmental Authority and the other items required by the Substantial Completion Certificate If Developer determines that the requirements of Substantial Completion have not been satisfied, it shall deliver to Installer a written statement to that effect within [________] Business Days after testing has been completed and shall give the reasons therefore, in which event Installer shall perform such additional Work to achieve Substantial Completion Thereafter, Installer shall have the right to issue another Substantial Completion Certificate The foregoing procedures shall be repeated until Installer achieves Substantial Completion The achievement of Substantial Completion shall not relieve Installer of its other obligations under this Contract, including its obligation to achieve Final Completion, in a timely manner

10 4 Punch List Within [________] Business Days following Installer's achievement of Substantial Completion, Developer shall provide Installer with written notice of Punch List Items that must be completed by Installer for Installer to achieve Final Completion, or if no such notice is provided, Developer shall be deemed to have provided notice that no such Punch List Items are needed for Final Completion (the "**Punch List Notice**") In the event of a dispute as to any item, Developer shall have the final decision on the contents of the Punch List Items Installer shall diligently perform the Work on the Punch List Items The Parties shall close the Punch List Items as they are completed If Installer has not completed any of the Punch List Items within [________] Business Days after Installer receives the Punch List Notice, Developer shall have the right to arrange for the outstanding Punch List Items to be completed or supplied by third parties The reasonable cost thereof shall, at Developer's option, be deducted from the Installer Contract Price and/or billed to Installer

10 5 Final Completion No later than [________] Business Days after having achieved Substantial completion, or having received the Punch List Notice, if in fact one is provided, Installer shall take all necessary action to complete all actions set forth in Section 10 5(b) Installer's achievement of Final Completion may be reasonably delayed by an Unexpected Delay When Installer believes it has achieved Final Completion pursuant to Section 10 5(b), it shall deliver the Final Completion Certificate Developer shall notify Installer within five (5) Business Days in writing whether Developer concurs that the conditions to Final Completion have been satisfied or which conditions Developer believes Installer has failed to satisfy Installer shall work as quickly as possible to rectify any unfinished items for Final Completion and then resubmit the Final Completion Certificate

(b) To achieve Final Completion for a Solar Facility, Installer shall (i) achieve Substantial Completion, (ii) close out all Punch List Items to the satisfaction of Developer, (iii) provide Developer a complete set of "as-built" drawings per the requirements of Section 3 14, (iv) comply with all inspections of the Solar Facility by the Utility and Governmental Authorities, (v) provide a copy of a shade study for the Solar Facility as-built, (vi) provide a copy of the Solar Facility's equipment warranties as required by Section 11 5,

(vii) provide copies of completed and submitted Rebate Documentation, including the applicable confirmation letters, (viii) provide a copy of the Solar Facility's completed inspection certificate issued by the applicable Governmental Authority, (ix) provide evidence of PTO Approval satisfactory to Developer in its sole discretion, and (x) upload a set of photographs, as set forth in the Developer Design Guidelines, of the Solar Facility and Work as they appear after the signed building permit is received

ARTICLE 11 – WARRANTIES/LIMITATION OF LIABILITY

11 1 Installer's Warranties and Covenants

(a) Installer covenants and warrants that (i) all Work is of good quality and installed, constructed and accomplished in a good and workmanlike manner and using skill, care and diligence consistent with all manufacturer's requirements and Prudent Practices, (ii) Installer shall procure, supply, install, construct and test the Work so that all Work performed before and as of Final Completion complies with all Laws, permits, codes, and standards, and (iii) all material and equipment constituting any portion of the Work are in good order and are new when installed

(b) Installer provides a limited warranty to all Installer-supplied materials and services used in this project against defects in material or workmanship for a period of ten (10) years following Substantial Completion of an SFS Work Order During this period, Installer will repair or replace any defective component of the warranted goods at Installer's own expense, and shall be responsible for all Claims that result from such breach of warranty, including without limitation, damages incurred by Host Customer, Developer or [________] Developer shall notify Installer in writing of any defect, malfunction, or nonconformity of the warranted goods or services Upon receipt of such notice, Installer shall repair or replace the defective, malfunctioning, or nonconforming warranted goods or services within [________] Business Days subject to replacement part availability Installer's failure to remedy a breach of these warranties within [________] Business Days shall be deemed a material breach of this Contract In addition to the rights and remedies provided Developer under this Contract and under statutory and common law, Developer at its option and after notice to Installer shall have the right to either perform the necessary Work and the cost thereof shall be paid by Installer, or forego the undertaking of any Work and receive from Installer a refund of money At Developer's sole discretion, it shall be entitled to withhold amounts due hereunder from other Milestone Payments

11 2 Service Level

(a) General For the duration of Installer's warranty provided herein, Installer shall respond to requests sent by Developer to Installer to perform service on a Solar Facility that has malfunctioned or underperformed (such request, a "Service Request"), and Installer hereby accepts the engagement and agrees to perform the Service Requests Installer shall perform work for Service Requests in accordance with Prudent Practices

(b) Timing Installer shall initially respond to such Service Request by visiting the Solar Facility within [________] Business Days of such Service Request to conduct an evaluation Installer shall promptly perform the necessary repairs or service of the Solar Facility within [________] Business Days of the Service Request, subject to replacement part availability If Installer does not repair the Solar Facility within such [________] Business Day period, Installer shall owe to Developer liquidated damages in the amount of [________] per day beginning on the [________] Business Day after the Service Request until the necessary repairs to the Solar Facility are complete In addition, if Installer does not respond to a Service Request in a timely manner, as determined by Developer in its reasonable discretion, Developer shall hire a different contractor to perform the Service Request and shall, at Developer's discretion, either invoice Installer for the costs of that Service Request (invoice to be paid within [________] days of receipt) or offset the costs of the Service Request from Milestone Payments owed to Installer under this Contract

(c) Standard of Performance Installer shall perform the Service Requests in a manner that is (i) safe, prudent and reasonable, (ii) in accordance with good professional standards applicable to the residential solar electric systems industry at the time of the performance, (iii) consistent with Prudent Practices, to the extent applicable, (iv) consistent with the requirements applicable to on-site generation, if any, of the applicable local electric distribution utility, (v) in compliance with all vendor equipment warranty requirements, maintenance instructions and specifications, (vii) in compliance with all Laws, and (viii) reasonably calculated to maximize the availability, output and reliability of the Solar Facility and to minimize operating expenses of the Solar Facility

(d) Non-Warranty Services If Installer determines consistent with Prudent Practices, or Developer identifies that the Service Request includes Non-Warranty Services, Installer shall perform such Non-Warranty Services on a time and materials basis, at a rate schedule set forth in Exhibit N Installer will submit an invoice for payment reasonably promptly following completion of such Non-Warranty Services, and Developer shall make payment on such invoice in accordance with Article 6, provided that if Installer does not submit an invoice for the Non-Warranty Services within [________] days of completion of such Non-Warranty Services, no payment shall be due from Developer for such Non-Warranty Services Installer provides a limited warranty to all Installer supplied materials and services used in Non-Warranty Services against defects in material or workmanship for a period of ten (10) years following the date the Non-Warranty Service is performed except for wild life guards which shall be warranted for a period of 5 years from the date installed During this period, Installer will repair or replace any defective component of the warranted goods at Installer's own expense, and shall be responsible for all Claims that result from such breach of warranty, including without limitation, damages incurred by Host Customer or Developer All Non-Warranty Services shall be performed in accordance with Prudent Practices and the [________] Service Manual

11 3 Developer Quality Standards Developer or [________] may inspect Solar Facilities at their discretion If any inspected Solar Facilities do not meet Quality Standards as defined in Exhibit H or are not installed in accordance with Prudent Practices and/or the Developer Design Guidelines, Installer will remedy any deficiencies identified in the inspection within [________] Business Days, and will reimburse Developer for the inspection cost in an amount up to [________] dollars for each Solar Facility Developer reserves the right to reject additional Work to be installed by any Installer for which three (3) or more consecutive inspections do not meet Quality Standards as defined in Exhibit H or are not installed in accordance with the Developer Design Guidelines If Installer was not required to meet the Initial Quality Standards under Section 2 2, then Installer shall pay for the first two (2) inspections of Installer's Solar Facilities, whether or not such inspection is found to meet the Quality Standards

11 4 Limited Roofing Warranty Installer provides a limited warranty for all roofing penetrations made by Installer for the solar electric system installation for a period of five (5) years Installer will not warrant any roofing related issues outside of the scope of the Work required to install the Solar Facility

11 5 Equipment Warranties In procuring all equipment necessary for the Work, Installer shall obtain all applicable manufacturers' warranties In performing the Work, Installer warrants that it will install all equipment in such a manner as to not void or otherwise negate any manufacturers' warranty On the date that Installer achieves Final Completion, Installer shall deliver to Developer all manufacturers' warranties it obtained when procuring the equipment

11 6 Warranty Parity If Installer offers additional, improved, or extended warranties to Installer's direct customers, those same warranties shall be extended to Developer or its designee, provided that if such additional, improved or extended warranties are optional and offered at an additional cost to Installer's direct customers, if Developer opts to pay such additional funds for such warranties, such warranties will be given under similar terms, conditions and circumstances

11 7 Warranty of Title Provided that Developer complies with its payment obligations hereunder, Installer warrants good title to all Work and guarantees that title, when it passes to and vests in Developer as described in Section 7 1, shall be free and clear of any and all Liens arising as a result of any actions or failure to act of Installer, its Installers or their employees or representatives In the event of any failure to conform to this warranty, Installer, upon prompt notice of such failure, shall defend the title to the Work

11 8 Warranties' Transfer If Developer, [________] or the Assignee sells a Solar Facility, but does not physically move the Solar Facility or otherwise invalidate the manufacturers' warranties associated with the Solar Facility, the warranties granted herein shall remain in effect and shall transfer to the new owner of the Solar Facility

11 9 Exceptions/Exclusions from Warranty The warranty set forth in Section 11 does not apply in any way to work performed by Installer on materials provided by [________] Repair of the following items is specifically excluded from Installer's warranty any materials that were modified, altered, repaired, or attempted to be repaired by anyone other than Installer, any damages resulting from lack of [________] maintenance, damages resulting from [________] or owner of the project site abuse, aesthetic changes, damages due to animals, weather or natural disasters, damages resulting from mold, fungus and other organic pathogens, unless caused by the negligence of Installer as a direct result of a construction defect causing water infiltration into a part of the structure, shrinking/cracking of grouts and caulking, and fading of paints and finishes exposed to sunlight

11 10 Warranty Disclaimer THE EXPRESS WARRANTIES CONTAINED HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER STATUTORY, EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE ANY STATUTORY OR IMPLIED WARRANTIES ARE WAIVED TO THE FULLEST EXTENT PERMISSIBLE UNDER STATE AND FEDERAL LAW

11 11 Limitation of Liability To the fullest extent permitted by law, the maximum aggregate liability of either Party to the other Party under this Contract shall not exceed the sum of the Installer Contract Prices for all executed SFS Work Orders This limitation applies to any and all injuries, damages, claims, losses, or expenses (including attorneys' fees) arising out of this Contract from any cause or causes This limitation on liability shall not apply to limit the indemnification obligations set forth in this Contract and shall also not apply to breach of the confidentiality provisions set forth in this Contract

11 12 Liquidated Damages not a Penalty The Parties acknowledge and agree that it may be difficult or impossible to determine with precision the amount of damages that would or might be incurred by Developer or Assignee as a result of Installer's failure, under each SFS Work Order, to comply with the obligations set forth in Section 4 5 (Delay Fees), and Section 10 1 (ITC Damages) It is understood and agreed that (i) Developer may be damaged by Installer's failure to meet such obligations, (ii) it would be impractical or extremely difficult to fix the actual damages resulting therefrom, and (iii) any sums payable under this Contract for failure to meet such obligations are in the nature of liquidated damages, and not a penalty, and are fair and reasonable estimate of compensation for the losses that Developer may reasonably be anticipated to incur by such failure

11 13 Mutual Waiver of Consequential Damages DEVELOPER AND THE INSTALLER WAIVE CLAIMS AGAINST EACH OTHER FOR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS CONTRACT EXCEPT TO THE EXTENT THAT DELAY FEES FINANCIAL FUND DELAY FEES, OR ITC DAMAGES WOULD CONSTITUTE CONSEQUENTIAL DAMAGES FOR PURPOSES OF THIS CONTRACT, "CONSEQUENTIAL DAMAGES" INCLUDES, BUT ARE NOT LIMITED TO

THE FOLLOWING (I) DAMAGES INCURRED BY DEVELOPER FOR LOSSES OF USE, INCOME, PROFIT AND FINANCING, AND (II) DAMAGES INCURRED BY THE INSTALLER FOR PRINCIPAL OFFICE AND SITE OFFICE EXPENSES (INCLUDING BUT NOT LIMITED TO THE COMPENSATION OF PERSONNEL STATIONED THERE) AND FOR LOSSES OF INCOME, PROFIT OR FINANCING FROM OR RELATED TO THIS CONTRACT OR THE INSTALLER'S OTHER CONTRACTS NOTWITHSTANDING THE FOREGOING, THIS WAIVER OF CONSEQUENTIAL DAMAGES SHALL NOT APPLY TO OR ACT TO LIMIT THE INDEMNIFICATION OBLIGATIONS OF EITHER PARTY OR LIABILITY FOR BREACH OF THE CONFIDENTIALITY PROVISIONS OF THIS CONTRACT

ARTICLE 12 – DEFAULT

12 1 Events of Default Any of the followıng occurrences or events, by or agaınst Installer and by or agaınst Developer, shall constıtute a default under thıs Contract

(a) Breach of any of the terms, condıtıons, representatıons, warrantıes, or guarantees expressed ın thıs Contract, or

(b) Fılıng of a voluntary petıtıon ın bankruptcy, confessıon of ınsolvency, or any assıgnment for the benefit of Installer's credıtors

12 2 Developer's Rıghts If Installer ıs ın default of thıs Contract pursuant to Sectıon 12 1, and faıls to cure such default wıthın [________] days followıng receıpt of wrıtten notıce from Developer that an event of default has occurred, then thıs Contract may be ımmedıately termınated by Developer for cause Furthermore, Developer shall have the rıght to take possessıon of all of Installer's materıals tools and equıpment located at the project sıte for the purpose of completıng the Work and may employ any other person, firm or corporatıon to finısh the Work by whatever method Developer may deem expedıent, provıded, however, ıf Installer has begun, ın good faıth, curıng such default wıthın the perıod specıfied above, but the cure usıng Prudent Practıces requıres a longer perıod to accomplısh, then Developer shall have no cause for termınatıon or Developer's completıon of the Work so long as Installer ıs dılıgently pursuıng such cure

12 3 Installer's Rıghts If Developer ıs ın default of thıs Contract pursuant to Sectıon 12 1, and faıls to cure such default wıthın [________] days followıng receıpt of wrıtten notıce from Installer that an event of default has occurred, then thıs Contract may be termınated by Installer for cause, provıded, however, ıf Developer has begun, ın good faıth, curıng such default wıthın the perıod specıfied above (other than defaults related to payments or financıng oblıgatıons hereunder, whıch defaults must be cured wıthın [________] days unless dısputed ın good faıth), but the cure usıng Prudent Practıces requıres a longer perıod to accomplısh, then Installer shall have no cause for termınatıon so long as Developer ıs dılıgently pursuıng such cure In addıtıon, Installer may suspend Work under an SFS Work Order and wıll be entıtled to

an equitable adjustment to the required timelines in Section 4 upon [________] Business Days' advance written notice if Developer fails to pay any Milestone Payments due under any SFS Work Order in a timely manner and fails to cure the delay in payment within the [________] Business Day notice period, unless Developer's delay of payment is expressly permitted by this Contract

ARTICLE 13– DISPUTE RESOLUTION

13 1 Negotiation The Parties shall negotiate in good faith and attempt to resolve any dispute within [________] days after the date that a Party gives written notice of such dispute to the other Party If the Parties are unable to reach an agreement within such [________] day period (or such longer period as the Parties may agree) then either Party may initiate mediation in accordance with Section 13 2

13 2 Mediation If, after such negotiation, the dispute remains unresolved, either Party may require that non-binding mediation take place If neither Party initiates mediation within [________] days of failing to reach agreement pursuant to the procedures set forth in Section 13 1, then the Parties shall resolve the dispute in accordance with Section 13 3 In such mediation, representatives of the Parties with authority to resolve the dispute shall meet for at least three (3) hours with a mediator whom they choose together If the Parties are unable to agree on a mediator, then either Party is hereby empowered to request the American Arbitration Association ("AAA") to appoint a mediator The mediator's fee and expenses shall be paid one-half by each Party If the Parties fail to reach a resolution within [________] days of initiating mediation, then the Parties shall resolve the dispute in accordance with Section 13 3

13 3 Arbitration The laws of California shall control for any dispute concerning interpretation or enforcement of this Contract Any dispute over the dollar limit of the small claims court arising out of this Contract shall be submitted to an experienced private construction arbitrator in a mutually agreeable location in California, or failing the ability of the parties to mutually agree on such a location, in the county where the party accused of a breach is headquartered, who shall be mutually selected by the parties to conduct a binding arbitration in accordance with Chapter 3, Title 9 of the California Code of Civil Procedure (CCP section 1282), including, but not limited to the right of discovery The arbitrator shall also be a licensed attorney or retired judge who is familiar with construction law If the parties cannot mutually agree on an arbitrator within sixty (60) days of written demand for arbitration, then either of the parties may submit the dispute to the AAA for arbitration according to the construction industry rules of the AAA, and the AAA shall administer the binding arbitration Judgment upon the award may be entered in any court having jurisdiction thereof The arbitrator's award shall be detailed and set forth both the legal and factual basis of the award This agreement to arbitrate will be specifically enforceable by any court with jurisdiction thereof

13 4 Prevailing Party The prevailing party in any arbitration or other legal proceeding related to this Contract may receive as an award it's reasonable attorney's fees, reasonable expert

fees, costs, and expenses, subject to the arbitrator's right to exercise his or her reasonable discretion in making such an award

ARTICLE 14 – CONDITIONAL APPROVALS

14 1 Conditional Request Installer has submitted or may submit a Residential Solar Customer Agreement which requires that a prepayment be made by the Host Customer before installation of the Solar Facility can begin (a "Conditional Request")

14 2 Certified Check Installer shall request a conditional approval by sending a cashier's or bank check payable to [________] (a "Certified Check") for the Solar Facility to Developer Developer agrees to grant conditional approval for the Conditional Request within [________] Business Days of receiving the Certified Check (subject to Developer receiving notice to proceed from [________]) and shall allow the project to proceed according to the terms set forth in this Amendment Any request for a conditional approval that is not accompanied by a Certified Check may be approved or rejected by Developer at its sole discretion If Developer approves any Conditional Request that is not accompanied by a Certified Check, such approval must be given by an officer of Developer, in writing, signed by such officer (email shall constitute sufficient approval) The only officers of Developer who may grant approval are the President, Chief Financial Officer, and Secretary

14 3 Default by Host Customer If the Host Customer of a particular Conditional Request that has been granted conditional approval defaults under the terms of the Residential Solar Customer Agreement, including refusing to pay any amount due before Final Completion is achieved, or if any other action or inaction by such Host Customer results in the loss or recapture of any applicable incentives, rebates, grants, tax credits or similar benefits associated with the Solar Facility, including but not limited to any grant funds from the US Department of Treasury and incentive funds from an electric utility, Installer shall compensate Developer for any such default, loss or recapture not paid by the Host Customer, and shall immediately pay Developer or the applicable agency any and all amounts not paid by the Host Customer that are required to be paid under the Residential Solar Customer Agreement

14 4 Payments for Conditional Requests Installer agrees and understands that if Developer approves a Conditional Request, that Developer shall not make any payment to Installer regarding such Conditional Request until [________] has made a payment to Developer regarding such Conditional Request, specifically, Installer understands that [________] shall not pay Developer on any Conditional Request so long as any amount from the Host Customer regarding such Conditional Request is outstanding

14 5 Explicit Authorization Installer shall not be deemed to have agreed to this Section 14, nor shall this Section 14 apply to any SFS Work Order, unless the Installer has signed in the box below and thereby explicitly agrees to the provisions of this Section 14

By signing in the box to the right, Installer explicitly agrees to the provisions of Section 14	

ARTICLE 15 – MISCELLANEOUS PROVISIONS

15 1 Assignment Installer may not assign or transfer this Contract or its rights or obligations hereunder, in whole or in part, without the prior written consent of Developer Developer may assign and transfer this Contract and its rights and obligations hereunder, in whole, without the prior written consent of Installer, to SUN Finance and Service, LLC, or otherwise in its discretion and without restriction Subject to the foregoing sentence, this Contract shall be binding upon and inure to the benefit of the Parties hereto, their successor and assigns Any purported assignment in violation of this Section is void ab initio

15 2 Amendments No change, amendment or modification of this Contract shall be valid or binding upon the parties hereto unless such change, amendment, or modification shall be in writing and duly executed by both Parties, provided, however, that Developer may revise any Exhibit hereto without the consent of Installer if such revision is because of a request made by [________] If any subsequent amendment or modification of law, rules or regulations materially alters a Party's obligations hereunder to its detriment, the Parties will negotiate in good faith a mutually-acceptable amendment of the affected obligations

15 3 No Waiver Any failure of Developer or Installer to enforce any of the provisions of this Contract or to require at any time performance by Installer or Developer of any of the provisions hereof during the pendency of this Contract shall in no way affect the validity of this Contract, or any part hereof, and shall not be deemed a waiver of the right of Developer or Installer thereafter to enforce any and each such provision

15 4 No Third-Party Beneficiaries in Host Customer The Host Customer who may benefit hereby is an incidental beneficiary and shall not have the rights of a third party beneficiary of this Contract

15 5 Applicable Law This Contract shall be governed by, construed and enforced in accordance with the laws of California

15 6 Entire Contract

(a) This Contract along with the SFS Work Order and Exhibits A through P (which are incorporated into this Contract by this reference and deemed to be an integral part of this Contract), contains the entire understanding of the Parties regarding the subject matter hereof and supersedes any and all prior negotiations, contracts, agreements, commitments, and writings with respect thereto There are no oral understandings, terms or conditions and neither Party has relied upon any representation, express or implied, not contained in this Contract and the SFS

Work Order Notwithstanding the foregoing, from the date of this Contract through the second anniversary of the termination hereof, each Party agrees, and shall cause its respective directors, officers, employees, consultants, advisors and affiliates, to each use commercially reasonable efforts to treat and hold as confidential (and not disclose or provide access to any person) all business, technical, financial or other information of the other disclosing Party ("Confidential Information") including, without limitation, information relating to trade secrets, patent applications, product development, customer lists, pricing and marketing plans, policies and strategies, details of client and consultant contracts, business acquisition plans and new personnel acquisition plans Each Party further agrees to use (and not reverse engineer) the Confidential Information of the other disclosing Party solely for the purpose of advancing the business relationship contemplated under this Contract as expressly permitted or directed by the disclosing Party

(b) Upon the expiration or termination of the Contract, the Parties shall fulfill the SFS Work Orders executed as of the date of such expiration or termination and this Contract shall terminate upon the completion of all Work related to the Solar Facilities contemplated by such SFS Work Orders

15 7 Relationship of Contract and SFS Work Order The Parties intend to enter into separate SFS Work Orders setting forth the particular terms and conditions for each Solar Facility designed, engineered, procured, installed and constructed by Installer As such, each SFS Work Order executed on or after the Effective Date shall incorporate, in toto, all of the terms and conditions of this Contract Each SFS Work Order executed before the Effective Date shall continue to incorporate, in toto, all of the terms and conditions of the Contract Each SFS Work Order shall constitute a separate and distinct contractual relationship between the Parties

15 8 Licensed Contractor Notice Contractors are required by applicable Law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation Any questions concerning a contractor may be referred to the applicable state agency governing consumer complaints about contractors

15 9 Contractor's License To the extent required by applicable Law, or in the reasonable judgment of Developer, the Installer agrees to and represents that it shall obtain, carry and keep valid a contractor's license issued by the Contractors' State License Board or other relevant governmental body ("Contractor's License") The Installer's Contractor's License number is set forth on Schedule 1 Installer agrees that all of Installer's sales representatives shall register as Home Improvement Salespersons (or other relevant designation of registration necessary to be in compliance with the Law) with the Contractors' State Licensing Board of California or other relevant Governmental Authority under [________]'s and, if applicable, Installer's California state contractor's license within [________] days of the Effective Date

Installer understands that Developer may, ın ıts absolute dıscretıon, prevent Installer from sellıng Fınance Partner Products untıl all of Installer's Home Improvement Salespersons are regıstered wıth the Contractors' State Lıcensıng Board of Calıfornıa or other relevant Governmental Authorıty

15 10 Severabılıty If any term or provısıon of thıs Contract ıs determıned to be ınvalıd, ın conflıct wıth any Law, voıd, or otherwıse unenforceable, and provıded the terms and provısıons of the Contract that are essentıal to the ınterests of Developer and the Installer remaın substantıally ın effect, then the remaınıng terms and provısıons wıll contınue ın full force and effect and the offendıng term or provısıon wıll be gıven the fullest meanıng and effect allowed by Law

15 11 Survıval The provısıons set forth ın Artıcles 9, 11, 13 and 14, and any other provısıon whıch expressly survıves termınatıon of thıs Contract shall survıve the completıon of the Work, the payment of all portıons of the Installer Contract Prıce, and any termınatıon of thıs Contract

15 12 Performance of Oblıgatıons If an oblıgatıon to be performed under thıs Contract falls due on a day other than a Busıness Day, the oblıgatıon shall be due on the next Busıness Day

15 13 Further Assurances Installer and Developer agree to provıde such ınformatıon, execute and delıver any ınstruments and documents and to take such other actıons as may be necessary or reasonably requested by the other Party whıch are not ınconsıstent wıth the provısıons of thıs Contract and whıch do not ınvolve the assumptıons of oblıgatıons other than those provıded for ın thıs Contract, ın order to gıve full effect to thıs Contract and to carry out the ıntent of thıs Contract In addıtıon, Installer and Developer may enter ınto a mutually agreed upon separate agreement for the ongoıng operatıon and maıntenance of the Solar Facılıtıes

15 14 Mutual Non-dısparagement The Partıes agree that ıts officers and dırectors wıll not make any dısparagıng remarks about or otherwıse take any actıon that could be reasonably be expected to adversely affect the personal or professıonal reputatıon or prospects of the other Party or [________] The Partıes may dısclose truthful and accurate facts and opınıons about the other Party or [________] where requıred to do so by legal process (such as subpoena, court order, or sımılar process), provıded however, that the commentıng Party shall notıfy the other Party or [________], as applıcable, ın wrıtıng ıf such dısclosure ıs sought wıthın suffıcıent tıme to allow for a full and faır opportunıty to object to such legal process

15 15 Counterparts Thıs Contract and any SFS Work Order may be executed ın counterparts, each of whıch wıll be deemed an orıgınal, but all of whıch taken together wıll constıtute but one and the same ınstrument

[Sıgnature Page Follows]

IN WITNESS WHEREOF, the Parties have hereto set their hands as of the Effective Date

[_______]	**Solar Universe, Inc.**
By ____________________________	By ____________________________
Name __________________________	Name Stephen M Schmidt
Title ___________________________	Title Secretary

Schedule 1

Installer Name, Address, and contact information for Notice	
Franchise Agreement	That certain Franchise Agreement dated as of [________], between the Installer and Solar Universe, Inc , as the same may be amended from time to time
Installer's license number	
Installer's wire transfer instructions	

EXHIBIT A

FORM OF SFS WORK ORDER

(Unique Residential Solar Customer Agreement No ________)

THIS SFS WORK ORDER ("SFS Work Order") is made by and between Solar Universe, Inc , a Delaware corporation, ("Developer") and [Installer], a [________________] ("Installer") for the design, engineering, procurement, installation, and construction of the Solar Facility described herein This SFS Work Order hereby incorporates, *in toto*, the terms and conditions set forth in the Sales and Installation Contract ("Contract"), and all schedules and exhibits thereto Developer is engaging Installer to build the Solar Facility set forth in this SFS Work Order, and such Solar Facility shall be owned by [________], or its authorized assignee Capitalized terms contained herein have the meanings set forth in the Contract

It is agreed

SOLAR FACILITY

Installer Contract Price $______________

Host Customer ____

Street Address ____

Utility ____

Rebate Level ____

TECHNICAL SPECIFICATIONS

System Size

Description	Rating
Standard Test Condition Direct Current (STC DC kilowatts)	
CEC Alternating Current (CEC AC kilowatts)	

Generation Equipment

Photovoltaic collectors	**Description**
Manufacturer	
Model number	
STC DC rating	
Quantity	

Inverters	**Description**
Manufacturer	
Model number	
Efficiency	
Quantity	

SOLAR FACILITY DESIGN DIAGRAMS

Attach the single-line diagram and aerial-view module layout for the Solar Facility to this document

ASSIGNMENT

When transfer of the title to the Work occurs pursuant to Section 7 1 of the Contract, title to the Work shall be transferred to Developer only [______________] is defined as the "Assignee"

MISCELLANEOUS

Neither this SFS Work Order, nor the Contract, creates any employment, agency, partnership, joint venture or other joint relationship between the Parties Should a conflict arise between the terms of this SFS Work Order and the terms of the Contract that cannot be reconciled, the terms of this SFS Work Order shall govern, provided, however, agreement on a conflicting term in this SFS Work Order shall not operate to modify the conflicting term in the Contract for future SFS Work Orders executed between the Parties This SFS Work Order may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute but one and the same instrument

[______]	**SOLAR UNIVERSE, INC.**
______________________	______________________
SIGNATURE	SIGNATURE
______________________	______________________
NAME	NAME
______________________	______________________
TITLE	TITLE
______________________	______________________
DATE	DATE

EXHIBIT B

MATERIALS EQUIPMENT AND SUPPLIES PROVIDED BY [________]

Item	Quantity
Revenue-grade (ANSI C12 20 Class 0 5) digital residential meter including communication mechanism	1 per solar facility
Meter seals	1 per solar facility
[________] inverter sticker	Quantity as required
[________] asset tags	Quantity as required

EXHIBIT C

PAYMENT MILESTONES

Capitalized terms contained herein have the meanings set forth in the Sales and Installation Contract

Milestone	Payment Due Installer	Terms
(1) Photovoltaic modules and inverter are delivered to the Host Customer's Site	[________]% of Installer Contract Price	Payment initiated within [________] Business Days
(2) Substantial Completion achieved	$[________] and offset of the Invoice	Payment initiated within [________] Business Days
(3) Final Completion achieved	The Net Payment	Payment initiated within [________] Business Days

Below is an example of how the Milestone Payments would occur for a hypothetical SFS Work Order

Installer Contract Price	$25,000	As set forth in the SFS Work Order
Invoice	-$12,250	Installer orders $10,000 of materials from Solar Universe, Inc , owes Solar Universe, Inc a $1,000 royalty [4% of $25,000] and owes Solar Universe, Inc $1,250 [5% of $25,000] as a call center fee because the Host Customer came from a lead supplied by Solar Universe, Inc
Net Revenue	=$12,750	Contract Price less Invoice
Milestone 1 Payment	$10,000	Paid after Equipment is delivered, [40% of $25,000]
Milestone 2 Payment (cash)	+$2,000	Paid after Substantial Completion
Milestone 3 Payment	+$750	Paid after Final Completion, [Net Revenue less the cash amounts already received by Installer for the Milestone Payments]
Total cash paid	=$12,750	

EXHIBIT D

ADDITIONAL INSURED REQUIREMENTS

Developer shall provide Installer with any additional insured requirements on an ongoing basis

EXHIBIT E

ACCEPTABLE FORMATS FOR DRAWINGS

The following formats are acceptable for the electronic presentation of all project drawings from Installer to Developer

- Adobe PDF

EXHIBIT F

<u>WORK EXCLUSIONS</u>

Unless specified to the contrary in an applicable SFS Work Order, the services, activities and work set forth in this <u>Exhibit F</u> are excluded from the scope of Work performed by Installer pursuant to the Contract and each SFS Work Order ("<u>Excluded Work</u>") Capitalized terms contained herein have the meanings set forth in the Sales and Installation Contract

1 Remove or dispose of any Hazardous Substances that currently exist on the Host Customer's Site,

2 Improve the construction of the roof or the Host Customer's Site to support the Solar Facility,

3 Remove or replace existing rot, rust, or insect infested structures,

4 Provide structural framing for any part of the Host Customer's Site,

5 Pay for or correct construction errors, omissions, and deficiencies by the Host Customer or contractors hired by the Host Customer,

6 Pay for, remove, or remediate mold, fungus, mildew, or organic pathogens,

7 Upgrade the Host Customer's Site's existing electrical service,

8 Install any smoke detectors, sprinklers, or life safety equipment required by municipal code or inspectors as a result of the Solar Facility installation,

9 Pay for the removal or re-location of equipment, obstacles or vegetation in the vicinity of the Solar Facility,

10 Move items unassociated with the Solar Facility around the Host Customer's Site

11 Any site improvements, barriers, railings, or other structures, used to enclose an area of the Solar Facility

12 Any construction that does not use solar energy to generate electricity nor parts that are related to the functioning of the solar modules

13 Any components of a Solar Facility or upgrades to a Host Customer Site that are not eligible for ITC

EXHIBIT G

TEST SPECIFICATIONS

Developer and Installer will perform the following test at the beginning and end of the test period Capitalized terms contained herein have the meanings set forth in the Sales and Installation Contract

1) Installer shall call Developer and notify Developer that the meter detailed in Exhibit B is installed,

2) Installer shall provide to Developer (a) the instantaneous watts and current generated by the Solar Facility's inverter and provide the nominal AC volt rating for the Solar Facility's inverter, (b) the serial numbers of the meter, and (c) any other information or performance data that Developer may reasonably require, and

3) Developer shall remotely have the meter read and confirm proper meter operation

EXHIBIT H

QUALITY STANDARDS

Each Solar Facılıty must earn an overall grade of at least "Passıng" on the crıterıa below ın order to meet Qualıty Standards

	SERVICES	OUTSTANDING	PASSING	IMPROVEMENT NEEDED	FAILED
STRUCTURAL	Roof Ppenetratıons				
	Roof Flashıng				
	Rackıng Systems				
	Conduıt Runs				
	Other Structural				
ELECTRICAL	Inverter				
	Wırıng Management				
	Modules				
	Power Productıon				
	AC/DC Dısconnects				
	Other Electrıcal				
	Labelıng				

Defınıtıons

Outstandıng Goıng above and beyond ınstallatıon requırements
Passıng Meets all code and ınstallatıon requırements
Improvement Needed Changes/addıtıons requıred to meet ınstallatıon requırements
Faıled Does not meet mınımum code standards, requıres major upgrade

EXHIBIT I

<u>INITIAL QUALITY STANDARDS PROCESS</u>

<u>Initial Quality Standards Process</u>

<u>Phase I</u> Installer shall have inspected, at Installer's expense, two (2) Solar Facilities ("**Phase I**") installed by a potential Installer using a Developer-approved inspection firm Installer shall provide Developer a copy of the Quality Assurance Inspection Report, Report Card, and installation photos, or similar content from the inspection firm, (collectively, "**Inspection Results**") for the two inspections If both of the inspected Solar Facilities meet with the Quality Standards set forth in Exhibit H and conform to the Developer Design Guidelines, Installer will be deemed to have met Initial Quality Standards ("**Initial Quality Standards**") and Developer shall send notice thereof to the Installer within [________] Business Days of receipt of the final of the two Inspection Results completed in Phase I Work completed by the Installer thereafter will be subject to the ongoing Quality Standards process described in Section 11 3

If a new Installer has not installed residential Solar Facilities before, Installer shall have inspected, at Installer's expense, the first two (2) Solar Facilities ("**Phase I-A**") installed by the Installer using a Developer-approved inspection firm Phase I-A may or may not consist of Solar Facilities that are financed by [________], at Developer's discretion Installer shall provide Developer a copy of the Inspection Results for the two inspections If both of the inspected Solar Facilities meet with the Quality Standards set forth in Exhibit H and conform to the Developer Design Guidelines, Installer will be deemed to have met Initial Quality Standards and Developer shall send notice thereof to the Installer within [________] Business Days of receipt of the final of the two Inspection Results completed in Phase I Work completed by the Installer thereafter will be subject to the ongoing Quality Standards process described in Section 11 3

<u>Phase II</u> If one (1) or more of the inspected Solar Facilities in Phase I or Phase I-A do not meet with the Quality Standards set forth in Exhibit H, then Installer shall have inspected, at Installer's expense, a subsequent three (3) Solar Facilities ("**Phase II**") installed by a potential Installer using a Developer-approved inspection firm Installer shall provide Developer a copy of the Inspection Results for the three subsequent inspections If all three (3) of the Solar Facilities inspected in Phase II meet with the Quality Standards set forth in Exhibit H and conform to the Developer Design Guidelines, Installer will be deemed to have met Initial Quality Standards and Developer shall send notice thereof to the Installer within [________] Business Days of receipt of the final of the three Inspection Results completed in Phase II Work completed by the Installer thereafter will be subject to the ongoing Quality Standards process described in Section 11 3

If one (1) or more of the inspected Solar Facilities in Phase II do not meet with the Quality Standards set forth in Exhibit H and do not conform to the Developer Design Guidelines, then Developer shall send a notice of rejection of the Installer to the Installer within [________] Business Days of the receipt of the final of the three Inspection Results completed during Phase II

*If, under this Exhibit I or any other provision or Exhibit of this Contract, Developer has provided Installer with a notice of rejection, Installer shall no longer be permitted to perform Work under this Contract

EXHIBIT J

UTILITIES

[Differs based on finance partner]

EXHIBIT K

DEVELOPER DESIGN GUIDELINES

The Developer Design Guidelines are made available on the Online Proposal System

EXHIBIT L

ONLINE PROPOSAL SYSTEM

The followıng descrıptıon of the Onlıne Proposal System ıs as of the Effectıve Date and ıs provıded for descrıptıve purposes only Developer reserves the rıght to modıfy any of the terms below ın ıts sole dıscretıon, at any tıme and wıthout notıce

The Onlıne Proposal System allows personnel of Installers to create proposals, sales documents and manage certaın operatıons functıons The Onlıne Proposal System's hours of operatıon are approxımately 24 hours a day, seven days a week, subject to maıntenance downtıme Support hours are presently Monday through Frıday (excludıng holıdays) from 9 00 am to 6 00 pm (PT) Urgent, or after hours support ıssues may be dırected to the desıgnated Developer representatıve

1 *Upgrades/Changes* Developer wıll perıodıcally perform maıntenance on and upgrades to the Onlıne Proposal System Thıs maıntenance/release schedule and assocıated procedures shall be determıned by Developer at ıts sole dıscretıon Developer may at ıts sole dıscretıon defıne a specıfic servıce change as "sıgnıficant" Upon a "sıgnıficant" servıce change, Developer wıll make commercıally reasonable efforts to notıfy Installer before the change

2 *Traınıng* Developer wıll provıde ınıtıal traınıng at the Developer's sıte on the Onlıne Proposal System to approprıate Installer personnel

3 *Orıgınated proposal* Installer wıll use solely the materıals generated by the Onlıne Proposal System to market and sell Fınance Partner Products to potentıal customers Any customızed materıals or materıals not generated by the Onlıne Proposal System representıng Fınance Partner Products must not be used to market and sell Fınance Partner Products unless such materıals have been approved ın advance ın wrıtıng by approprıate [________] personnel

4 *Proposal data ıntegratıon* By default, the Onlıne Proposal System fields shall be filled by the data entered ınto the Orıgınatıon Platform

5 *Admınıstrator* Developer has desıgnated an Onlıne Proposal System admınıstrator to assıst approprıate Installer personnel wıth proposal creatıon, proposal manıpulatıon and the management of Installer users Please contact thıs admınıstrator to keep the Installer lıst of users current and up to date

Developer desıgnated Onlıne Proposal System admınıstrator(s)

Name	Tıtle	Emaıl
Todd Oxford	IT Manager	toxford@solarunıverse com

ONLINE PROPOSAL GUIDELINES

The On-Line Proposal Guidelines may be amended from time to time by Developer upon notice to Installer without requiring any amendment to the Agreement

1 Installer must accurately represent and reflect the Homeowner's kWh usage so as to not under represent or inflate kWh usage (even at homeowner requests)

2 If Host Customer has lived at the residence for a period of 1 year or longer, the previous 12 months of kWh usage must accurately be entered into the proposal tool system

3 If Host Customer has not lived at residence for at least a period of 1 year, then a minimum of 4 months kWh usage must be accurately entered into the proposal tool system and the remaining 8 months must be equal to or less than the average of the 4 actual months

4 Proposals may not be created for Host Customers on discounted rate structures, including but not limited low income rate structures

5 Installer shall adhere to the minimum and maximum project sizes for each Order submitted to the Online Proposal System

6 Installer shall not attempt to avoid limits on the minimum or maximum system size as set forth in the Online Proposal System by any method, including but not limited to, providing inaccurate information about the Host Customer's electricity usage or designing multiple systems on one site

7 For non-standard rate structures, proposals showing the pre-solar and post-solar utility bills must be calculated without using the online proposal system

EXHIBIT M

FINAL COMPLETION CERTIFICATE

TO SUI/SFS ("Developer")
1152 Stealth Street
Livermore, CA 94551

FROM ("Installer")

DATE SUBMITTED [Insert date certificate is sent]

DATE APPROVED [Developer will add this date]

RE SFS Work Order No [__________]

Pursuant to Section 10 5(b) of the Sales and Installation Contract, and all schedules and exhibits thereto, executed by Developer and Installer on [________] (the "Contract"), this Certificate confirms the following items below regarding construction of the Solar Facility under SFS Work Order No [__________] Capitalized terms contained herein have the meanings set forth in the Contract

1 Pursuant to Section 10 3 of the Contract, Substantial Completion of the Solar Facility occurred on **[insert date]**

2 Installer has closed out all Punch List Items to the satisfaction of Developer,

3 Installer has provided Developer a complete set of "as built" drawings per the requirements of Section 3 14 of the Contract,

4 Installer has complied with all inspections of the Solar Facility by the Utility and Governmental Authorities,

5 Installer has provided a copy of a Solmetric or Pathfinder shade study for the Solar Facility as-built,

6 Installer has provided a copy of the Solar Facility's equipment warranties as required by Section 11 5 of the Contract,

7 Installer has provided copies of completed and submitted Rebate Documentation, including the applicable confirmation letters,

8 Installer has provided a copy of the Solar Facility's completed inspection certificate issued by the applicable Governmental Authority, and

9 Installer has provided evidence of PTO Approval satisfactory to Developer in its sole discretion

* Documents required to be attached or submitted with this Certificate must be transmitted to Developer through the Origination Platform or as otherwise instructed by Developer

IN WITNESS WHEREOF, the Parties have hereto set their hands to this Final Completion Certificate as of the dates set forth below

CERTIFIED BY
[Installer]

By ______________________________

Name ______________________________

Title ______________________________

Date Submitted ____________________

AGREED AND ACCEPTED BY

[SUI/SFS]

By ___________________________

Name ___________________________

Title ___________________________

Date Approved ____________________

EXHIBIT N

Non-Warranty Work Fee Schedule

The following rates are not to be exceeded for billable, non-warranty work

General labor $[___]/hr (includes all service work performed on site that is not covered by a flat rate)

Travel: $[___]/hr (includes time to travel to and from the site when not covered by a flat rate)

Meter service flat rate: $[___]/site
Meter service flat rate includes troubleshooting, replacement, deactivation, and re-activation of meters
Rate based on average of 2 hours per incident (1 25 hours travel and 0 75 hours on site)
If total time per incident exceeds 3 hours, the excess time is billable at the standard travel rate of $[___]/hr

Wildlife guards flat rate: $[___]/per linear foot
Includes all travel, labor, and materials for installation
Cost overages may be considered if conditions are not typical (i e steep pitch roof or excess cleaning required)

EXHIBIT O

SERVICE MANUAL

The Service Manual is made available on the Online Proposal System

EXHIBIT P

CUSTOMER ORIGINATION POLICY

The Customer Origination Policy will be provided by Developer to Installer and attached hereto and may be amended from time to time by Developer upon notice to Installer without requiring any amendment to the Agreement

Location and proximity to landmarks

1 Installer shall not sell Finance Partner Products in a utility territory where [________] does not operate
2 Installer shall not sell Finance Partner Products for a property located less than 500 feet from a golf course
3 Installer shall provide correct site and customer information in the Developer Online Proposal Tool and during Developer deal review

Compliance with laws and building codes

1 Installer shall not sell Finance Partner Products to a potential Host Customer if, at the Host Customer Site, Host Customer is knowingly engaged in activities that violate local, state, or Federal laws
2 Installer shall sell Finance Partner Products associated only with a system design that meets all local code requirements for structural, electrical, zoning, planning, etc , as well as the National Electric Code Developer will not buy the project if its design and construction will violate local code, the National Electric Code, or the International Building Code

System design and cost

1 Installer shall not sell Finance Partner Products that require installation on a mobile home or a mobile home property Installer will only submit a system to Developer for approval on a manufactured or pre-fabricated home if accompanied by stamped plans from a licensed Civil or Structural Engineer with full calculations
2 Trellis and carports
    a Installer will only submit for Developer approval a system design on an existing trellis or carport structure if accompanied by stamped approval and full calculations from a licensed Civil or Structural Engineer
    b Installer shall not sell a Finance Partner Product that includes a system designed for the purpose of shade, cover, or any other non-PV-related purpose Developer ground-mounted systems must be designed and erected exclusively to hold solar panels
3 Installer shall not sell Finance Partner Products that include a system designed to serve as a battery back-up or storage system All systems must be directly connected to the grid, and all energy produced must be fully back-fed into the grid Developer will not purchase AC

coupled systems, and Developer power cannot be connected to critical load centers powered by charge controllers and/or batteries

4 Installer must charge the customer for the cost of the fence surrounding the ground mounted solar facility separately from the Finance Partner Product This is the same policy as with a main panel upgrade

5 Installer must charge the customer for the cost of a main panel upgrade separately from the Finance Partner Product

6 Installer shall not sell a Finance Partner Product on a property for which the design would require reverse racks or compound tilts If the property will require a system with a reverse rack or compound tilt, that system is not eligible for Developer ownership

7 Installer shall not sell Finance Partner Products that require interconnection with 3-phase electrical services

Customer and property type

1 Installer shall not sell Finance Partner Products for a commercial property or to a non-profit or corporate entity

2 Installer shall sell Finance Partner Products only when the Property owner is an individual resident or resident holding property in a Trust The Property Owner must also be the Host Customer

3 Installer shall not sell a Finance Partner Product with a monthly payment to a customer without explicit Developer approval of the customer's current utility rate schedule

4 Installer shall not sell Finance Partner Products to a property zoned only for commercial or industrial use

5 Installer shall not sell Finance Partner Products for properties with multiple units

6 If a property is owned by multiple parties, Developer strongly recommends Installer review contract with and get signature from all property owners listed on the deed

7 For properties owned by a trust, the following requirements apply to projects and customers

   a Revocable trust The grantor/trustor/settlor must sign the customer agreement In order to validate the nature of the trust and the customer as the grantor/trustor/settlor, customer must send Developer the first 5 pages of the Trust document for review

   b Irrevocable trust. Installer shall not sell and Developer shall not purchase deals in which the Host Customer Site is owned by an irrevocable trust

8 Installer shall not sell Finance Partner Products to an LLC, unless the LLC is single person with single associated tax ID The requirements for acceptance of contracts with single-person LLCs are as follows

   a Customer must submit the LLC organizational documents to Developer for review

   b Customer must fully prepay all costs associated with the Residential Solar Customer Agreement c Developer will not make any milestone payments until the customer pays the full Prepayment amount owed

d Developer signoff/project approval requires the LLC's officer certification that the customer can sign the Residential Solar Customer Agreement for the LLC

Developer system count per site, and required meters

1 There must be only 1 utility meter associated with each Residential Solar Customer Agreement

2 Installer shall not sell a Finance Partner Product that shares a meter with any other system All Developer systems must have at least one meter The meter(s) must be on the plan set in both the site plan and the line drawing Each system and its associated contract and production estimate shall have its own meter Multiple contracts or systems at a site, or add-ons to an existing site, shall be designed with their own meter

3 If a property and customer require multiple Developer systems, Installer shall adhere to the following requirements

a The reason for multiple systems must be contained to unique property requirements such as multiple distant buildings on single property, multiple utility meters

b Each Developer system is electrically independent and each Developer system is metered and billed separately in a separate contract

c The aggregate size and production of the Developer facilities on the property must comply with the maximum size and offset rules for a single Developer system

d The aggregate pricing of the contracts comply with Developer pricing rules for the total offset and system size

Developer system size, electricity offset, and pricing model account for design characteristics

1 Installer shall adhere to the system size limits per Customer Site set forth and enforced in the Online Proposal Tool

2 Installer shall not sell Finance Partner Products where the expected solar electricity will exceed more than 100% of the customer's previous 12 months of utility electricity usage, where utility electricity usage is always net of any pre-existing solar electricity generation or other electricity generation onsite

Local, utility, state subsidy programs

1 Customers should not participate in net energy metering (NEM) programs or rate schedules that allow them to share electricity with another utility meter and a customer's value proposition should never be described to include such a program As such, Installer shall not sell Finance Partner Products that offset more than 100% of the last 12 months of customer utility electricity usage to share electricity with a separate utility meter This policy holds for

a customer with multiple utility meters associated with their utility account and their property

2 Installer shall not price in to a Residential Solar Customer Agreement an incentive that must be applied for and received and has not previously been approved Installer may apply for and receive an incentive from a program not yet approved by Developer and apply the incentive value in a way that reduces the Contract Price charged to Developer

Time-of-Use Rate Schedule

1 Customers should not be switched to a Time-of-Use rate schedule unless such customer has signed the attached "Time of Use Consumer Acknowledgement Form"

SOLARUNIVERSE™

TIME-OF-USE
CONSUMER ACKNOWLEDGEMENT FORM

Are you considering switching to a time-of-use ("TOU") rate schedule? This could be a great move that maximizes your savings with your Solar Universe solar system However, TOU billing is not ideal for everyone and may not save you money versus your current rate schedule

If ANY of the following apply to your situation, TOU might NOT be right for you.

- ◊ You have a pool (pool pumps on during day)
- ◊ You work from home
- ◊ You are retired
- ◊ You have a family with young children that are home during the day
- ◊ You are unable to modify your lifestyle to utilize power during off-peak periods (e g , only use laundry and dishwasher early morning and evenings, or have a set-back thermostat to lower your AC during the day)
- ◊ Your consumption of energy is planned to go up
- ◊ Your bill is so high that even with solar, you will still be in higher tiers
- ◊ You have an electric vehicle that you need to charge during the day

There might be other situations where TOU billing is not the optimal option Please ensure that you understand your utility's TOU rate schedule and that it is the best choice for your situation

Solar Universe does not guarantee the amount of your year-end utility bill The estimates provided to you are just that – estimates based on your current consumption pattern Utility bills will vary based on usage amounts and usage patterns

I hereby acknowledge that I understand my utility's TOU rate schedule, that TOU billing may not save me money if I do not adjust my electrical usage, and confirm my enrollment into TOU billing.

____
Customer Signature

____
Customer Name

____
Date

<u>EXHIBIT I TO THE DISCLOSURE DOCUMENT</u>

FORM OF FULFILLMENT AGREEMENT

FRANCHISEE FULFILLMENT AGREEMENT

This Franchisee Fulfillment Agreement (this "**Agreement**") is dated as of ______________(the "**Start Date**"), by and between Solar Universe, Inc dba REPOWER, a Delaware corporation ("**SUN**") and [____] ("**Franchise Partner**") SUN has entered into an agreement with one or more sales companies (each a "**Sales Company**") whereby Sales Company will administer and conduct certain marketing activities in the area where Franchise Partner operates, as set forth below (the "**Sales Services**")

WHEREAS, Franchise Partner entered into that certain Franchise Agreement with SUN dated as of [________________] (the "**Franchise Agreement**"), and any term that is used but not defined in this Agreement shall have the meaning given such term in the Franchise Agreement

WHEREAS, Sales Company desires that SUN fulfill solar installations for Sales Company, SUN desires that Franchise Partner execute such solar installations for Sales Company and Franchise Partner desires that Sales Company generate sales for Franchise Partner

NOW, THEREFORE, it is hereby agreed between the parties as follows

A. <u>TERM</u>:

1 This Agreement shall continue until terminated Either party may terminate with 60 days' notice to the other party SUN may terminate this agreement immediately upon any uncured breach of this Agreement by Franchise Partner Any Closed Customers that are started before such termination shall be completed and paid for as per the terms of this Agreement

B <u>SALES COMPANY RESPONSIBILITIES:</u>

1 Sales Company generates its sales for residential solar contracts Sales Company shall determine the amount of money to spend on its marketing activities which will be fully paid for by the Sales Company

2 Sales Company shall provide SUN with a Closed Customer and shall revise any contracts with the customer as needed to respond to the results of the site survey

C <u>SUN RESPONSIBILITIES:</u>

1 SUN shall review project information associated with a Closed Customer and determine such project's suitability for provision of installation services by the Franchise Partner

2 SUN shall provide the following equipment for use by the Franchise Partner in providing Installation services to a Closed Customer

a Solar PV Modules,

b Inverters,

c Racking,

d Roof Mounts,

e Revenue grade meter (if required), and

f Clamps

All other equipment needed to provide Installation Services shall be provided by the Franchise Partner SUN shall pay for the shipping cost to send SUN-supplied equipment to Franchise Partner's office or Closed Customer site, as applicable

D. <u>FRANCHISE PARTNER RESPONSIBILITIES AND APPLICABLE FEES:</u>

1 <u>Closed Customers</u>

a A "**Closed Customer**" shall mean that Sales Company has closed the sale with the customer by getting a Binding Contract signed by the customer A "**Binding Contract**" shall mean a lease agreement, sales contract, power purchase agreement, or similar contract for the installation of a solar system Franchise Partner will be responsible for conducting the site survey in accordance with SUN's shade study requirements Sales Company shall be responsible for having the customer sign a revised Binding Contract should any changes to the Binding Contract be required after the site survey

b Franchise Partner will be responsible for providing Installation Services "**Installation Services**" are defined as all permitting, homeowner assistance with homeowners association approvals, post site survey design, equipment procurement, physical construction required to install the system, administrative paperwork related to installation and project financing, customer service (as necessary), workmanship warranty and related work

c SUN will pay Franchise Partner a fee for the Closed Customers which result in system installation as set forth on <u>Exhibit A</u> Franchise Partner will pay all other fees as required by the Franchise Agreement

d Franchise Partner is required to accept all Closed Customers that have been approved by SUN If Franchise Partner refuses to accept any Closed Customer that has been approved by SUN, SUN shall suspend providing Franchise Partner with any Closed Customers and may, at its discretion, provide such Closed Customers to other installers

e Certain Closed Customers may need a panel upgrade in connection with the installation of a solar system Franchise Partner shall not charge the Closed Customer any amount to perform such a panel upgrade SUN shall pay Franchise Partner a fee, as set forth on Exhibit A, for each Closed Customer that (i) requires a service panel upgrade, and (ii) the necessity of which service panel upgrade has been approved by Sales Company (the "**Service Panel Fee**") The payment of the Service Panel Fee may be denied if Sales Company determines that the service panel upgrade is not required by the National Electrical Code or similar local codes and regulations Franchise Partner shall submit photographs and other evidence to SUN before starting the service panel upgrade so that such installation can be pre-approved and Franchise Partner can be assured payment of the Service Panel Fee

f SUN shall also make certain payments to Franchise Partner for a Closed Customer as set forth on Exhibit A

g Franchise Partner will expeditiously schedule site surveys with customers All site surveys will be conducted according to SUN site survey protocols and documented using the form of site survey attached hereto as Exhibit B

h Franchise Partner shall not market directly to Closed Customers without the prior written approval of SUN If Franchise Partner does market directly to Closed Customer without the prior written approval of SUN, then SUN shall be entitled to collect from Franchise Partner any Fees/Penalties incurred by such action

2 Service Level Requirements

a The Franchise Partner must contact the customer to schedule a site survey within one (1) business day of the customer being assigned to the Franchise Partner by SUN If this requirement cannot be met, Franchise Partner must notify SUN immediately

b The Franchise Partner must conduct and upload site survey information to SUN's project management system within four (4) business days of the customer being assigned to the Franchise Partner by SUN If this requirement cannot be met, Franchise Partner must notify SUN immediately If this requirement cannot be met within nine (9) business days of the customer being assigned to the Franchise Partner, the Franchise Partner shall be subject to liquidated damage charges equal to 0 5% of the contract amount for each five (5) calendar day period of delay c Franchise Partner is required to complete all Installation Services on any Closed Customer according to the time frames set forth on <u>Exhibit C</u> If SUN reasonably believes that Franchise Partner shall be unable to meet these requirements, then, regardless of any expenses incurred by Franchise Partner, SUN may reassign such Closed Customer to another installer for completion of the Installation Services

d Franchise Partner is required to complete and upload to SUN's project management system an Installer Cost Sheet (provided by SUN) upon submission of Site Survey results to SUN

e SUN agrees to meet with Franchise Partner, at Franchise Partner's request, in the 15 days after the six-month anniversary of the Agreement to review all the job-cost worksheets and other information about Closed Customers SUN and Franchise Partner will negotiate in good faith as to whether any changes to the Agreement (including, items set forth on <u>Exhibit A</u>) need to be made for the Agreement to be a success for both parties

3 Franchise Partner will use industry standard "balance' of system" components when building the system for electrical materials, disconnects, and solar specific equipment Franchise Partner shall supply all equipment necessary for building the system other than the SUN-supplied equipment set forth in Section C 2

4 Franchise Partner may change the components used in any Binding Contract, without receiving the prior written approval of Sales Company, so long as the customer is not required to sign a change order

5 Franchise Partner shall use best efforts to provide a high quality experience to all customers

6 Franchise Partner shall provide SUN with accurate and complete information and data related to its installation activities through Solar Universe's project management system and as otherwise provided in the Franchise Agreement

7 Franchise Partner understands that each Closed Customer may be with a different finance partner, and each finance partner may have slightly different obligations for Installation Services SUN shall provide Franchise Partner with detailed service level requirements for each finance partner and shall provide timely updates to those requirements Franchise Partner agrees to use commercially best efforts to meet all service levels required by a finance partner, which service levels shall be detailed in the separate sales and installation contract between Franchise Partner and SUN (or its affiliate) for that finance partner (an "S&I Contract") Franchise Partner represents that it has read and

understands its service level requirements under each S&I Contract that Franchise Partner has signed

E. OTHER TERMS:

1 If, during a Site Survey, the Franchise Partner determines that any component of the Closed Customer's project requires modification, Franchise Partner shall immediately inform SUN of the required modification As a result of such modification requirement, the Sales Company may choose to terminate the Closed Customer's project

F. MISCELLANEOUS

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes any and all prior negotiations, understandings, representations and agreements (including any prior Fulfillment Agreement or Sales and Fulfillment Agreement) If any provision of this Agreement is deemed invalid or unenforceable, it shall be severed from this Agreement, and the remainder of this Agreement shall be enforced to the maximum extent permitted under applicable law Except as otherwise specifically provided herein, this Agreement may not be amended or modified without the written consent of both parties This Agreement shall be governed by California law, without regard to California's conflict of laws principles

[Signatures of the parties appear on the following page]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement

SOLAR UNIVERSE, INC

By ______________________________

Name Printed ______________________________

Title ______________________________

FRANCHISE PARTNER

By ______________________________

Name Printed ______________________________

Title ______________________________

[Signature Page for Franchisee Fulfillment Agreement]

EXHIBIT A

Schedule of Fees/Payments for the Following Utilities

(PG&E, SCE, SDG&E, LADWP, MID, IID, SMUD)

Closed Customer

SUN believes that market forces and other factors will require that this price list be adjusted from time-to-time during the term Therefore, SUN may adjust the prices set forth here upon 30 days' notice to Franchise Partner, provided that the new price list shall only apply to Closed Customers that are presented to the Franchise Partner after the effective date of the price change

"Base Price" is defined as:

Base Price description	Amount
Regular Price	$X XX/W

"**Adders**" are defined as

Adder description	Amount
Flat concrete tile	$X XX/W
S-concrete/Barrel tile	$X XX/W
S-clay/Spanish/Low Profile Barrel tile	$X XX/W
Metal roof	$X XX/W
Metal Shingles	$X XX/W
Flat roof	$X XX/W
Flat roof (Membrane)	$X XX/W
Flat roof (Foam)	$X XX/W
Wood shake	$X XX/W
Steep roof (>28 degrees)	$X XX/W
Multiple stories	$X XX/W
Multiple arrays	$X XX/W
Ground mounts	$X XX/W
Trenching (dirt)	$X XX/W
Trenching (concrete)	$X XX/W
Roof Replacement (solar area)	$X XX/W
Travel (>50 miles)	$X XX/W

Payments to the Franchise Partner shall follow the payment schedule set forth on Schedule 1 hereto

The Base Price for any Closed Customer that has a completed design and/or permit may be reduced to account for the cost of the permit (per jurisdiction), the cost of the design (capped at $200), and cost of the engineering stamp Not withstanding the foregoing, the Base Price may be increased at SUN's discretion for any adjustment, reassignment, and/or submission costs

SUN shall pay Franchise Partner $1,200 for each approved Service Panel Fee

Schedule 1

Payment Schedule for Closed Customers

Projects that don't achieve Closed/Won shall be subject to Progress Payment claw backs

Progress Payment	Milestone	Amount
P0	Lease Project stage = Deal Approved	XX%
P1	Lease Project stage = Equipment Delivered	XX%
P2	Lease Project stage = Post Install Audit Approved	XX%
P3	Lease Project stage = Closed/Won	XX%

EXHIBIT B

Form of Site Survey

EXHIBIT C

Service Level Requirements

Maximum calendar days in stage

- *"Notice to Proceed"* to *"Installed and Self-Audited"* = **40 days**

RE)POWER™
BY SOLAR UNIVERSE

Key Service Level Expectations

Stage	Milestone	SLAs
Site Survey	Accept Site Survey Request Site Survey Results & Final Design Upload Reject Lead	Same Day Request is Received 2 business days (after site survey) 2 business days (after site survey)
Permit	File Permit Application Update Deal Status - Permit Issued	7 calendar days after Deal Approval 2 business days after issuance
Installation	Schedule Installation Update Deal Status - Installation Complete	2 business days after permit issuance 5 business days after install start
Inspection	Schedule Final Inspection Update Deal Status- Final Inspection Approved	1 business day after install complete 1 business day after inspection
IC	Submit for Post Install Audit Approval	7 calendar days from install complete
PTO	Request Permission to Operate (PTO)	30 calendar days after Installation Complete
SA	System Activation	2 business days after permission to operate
FA	Submit for Final Acceptance	7 calendar days from permission to operate

<u>EXHIBIT J TO THE DISCLOSURE DOCUMENT</u>

RECEIPTS

Receipt

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language Read this Disclosure Document and all agreements carefully

If Solar Universe, Inc dba REPOWER 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 unless otherwise stated in your state's addendum In New York we must give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If Solar Universe, Inc dba REPOWER 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and your state agency

The names, principal business addresses, and telephone numbers of each franchise sellers is as follows (check appropriate employee)

______ Mahesh Mansukhani, 1152 Stealth Street, Livermore, California 94551, (925) 455-4700
______ Dusty Ansley, 1152 Stealth Street, Livermore, California 94551, (925) 455-4700
______ Joseph Barghouthi, 1152 Stealth Street, Livermore, California 94551, (925) 455-4700
______ Gary McAleer, 1152 Stealth Street, Livermore, California 94551, (925) 455-4700
______ Aamir Khan, 1152 Stealth Street, Livermore, California 94551, (925) 455-4700

Issuance Date April 7, 2017

Our Agents for Service of Process are listed in **Exhibit E**

I have received a Franchise Disclosure Document dated April 7, 2017 that included the following exhibits

A Franchise Agreement (with all exhibits)
B Franchisee Disclosure Questionnaire and Certification
C State-Specific Addenda
D List of Current and Certain Former Franchisees
E State Regulatory Authorities and Agents for Service of Process in Certain States
F Table of Contents of Confidential Manuals
G Financial Statements
H Form of Sales and Installation Agreement
I Form of Fulfillment Agreement
J Receipts

____
Date Received

____
Prospective Franchisee (Individual or Company)

By (Signature) ______________________________

Name (Printed) ______________________________

KEEP THIS COPY FOR YOUR RECORDS

Receipt

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language Read this Disclosure Document and all agreements carefully

If Solar Universe, Inc dba REPOWER 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 unless otherwise stated in your state's addendum In New York we must give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If Solar Universe, Inc dba REPOWER 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and your state agency

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J Receipts

____
Date Received

____
Prospective Franchisee (Individual or Company)

By (Signature) ______________________________

Name (Printed) ______________________________

RETURN THIS COPY TO SOLAR UNIVERSE, INC DBA REPOWER