

¹⁶ Additional Funds. We recommend that you have a minimum amount of money available to cover operating expenses, including rent, utilities and employees' salaries 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, including the size and condition of your facility, the capabilities of your management team, where you locate your franchised business and your business experience and acumen. 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.

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 solar products offered or sold by your franchised business from an approved supplier, including solar panels, inverters, racking systems, monitoring equipment, mounting hardware, thermal collectors, tanks, pumps, 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 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 in an effort 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, 2012, our revenues from franchisees' purchases of these solar products was \$14,841,051, or 74% of our total revenues of \$20,094,166.

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 in an effort 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, from time to time, one or more approved suppliers for any other products, equipment, or services (for example project financing services), and to require you to use such approved suppliers exclusively, which may be us or one of our affiliates. 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 Operations Manual 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, before you conduct your grand opening advertising, during on-site opening assistance, during periodic visits to your franchise location and through the Confidential Operations Manual (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 use any goods or services in establishing and operating the franchised business that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), 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 or the supplier meets our approved supplier criteria. 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. We estimate that approximately 50% to 60% of your expenditures on an ongoing basis 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; Sections 3 and 4 of Development Rights Agreement ("DRA")	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; Sections 1, 2 and 4 of DRA	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; Section 7 of DRA	Item 6