

FRANCHISE DISCLOSURE DOCUMENT

SOLARUNIVERSE

®

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

The franchise offered is for the establishment and operation of a business providing all types of solar system installations, renewable energy products and energy consulting services.

The total estimated investment necessary to begin operations of a new Solar Universe franchise is \$103,500 to ~~\$272,500-347,500~~. The total estimated investment necessary to convert an existing and operational commercial solar business to a new Solar Universe franchise is \$69,500 to ~~\$272,500-347,500~~. These estimates include \$25,000 to ~~\$75,000-150,000~~ that must be paid to the franchisor or affiliate. We also offer development rights for Solar Universe franchises. The development fee will depend on the population of your development area at a rate of \$.01 per person; for example, if your development area has a population of 500,000, you will pay a development fee of \$5,000 to the franchisor or affiliate.

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 ~~Joseph Boneour~~ President, 1152 Stealth Street, Livermore, California ~~94551-94551~~; 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 ~~23, 2014~~ 28, 2015

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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 GF** 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 ~~LOCAL~~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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: See next page for state effective dates.

##Solar Universe, Inc.

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EXHIBITS

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| <p>A. Franchise Agreement (with all exhibits)</p> <p>B. Development Rights Agreement</p> <p>C. Form of Release</p> <p>D. Franchisee Disclosure Questionnaire and Certification</p> <p>E. State-Specific Addenda</p> <p>F. List of Current and Certain Former Franchisees</p> | <p>G. State Regulatory Authorities and Agents for Service of Process in Certain States</p> <p>H. Table of Contents of Confidential Operations Manual</p> <p>I. Financial Statements</p> <p>J. Form of Sales and Installation Agreement</p> <p>K. Form of Gen 10 Fulfillment Agreement</p> <p>L. Receipts</p> |
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