

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-37707

iSUN, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

47-2150172

*(I.R.S. Employer
Identification Number)*

**400 Avenue D, Suite 10
Williston, Vermont**

(Address of Principal Executive Offices)

05495

(Zip Code)

(802) 658-3378

(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	ISUN	Nasdaq Capital Market
<u>Common Stock, Par Value \$0.0001</u> (Title of class)		

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and, (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein and, will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☒

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.
YES ☐ NO ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).
YES ☐ NO ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the Common Stock held by non-affiliates as of June 30, 2023 was \$7.6 million.

The number of shares of the Registrant’s Common Stock outstanding as of April 12, 2024 was 47,384,672.

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SUMMARY RISK FACTORS

Investing in our shares of Common Stock involves numerous risks, including the risks described in “Part I—Item 1A. Risk Factors” of this Annual Report on Form 10-K. Below are some of our principal risks, any one of which could materially adversely affect our business, financial condition, results of operations, and prospects:

- **If there is a subsequent wave of the coronavirus pandemic (COVID-19) it will likely impact general market and economic conditions and is likely to have a material adverse effect on our business and results of operations.**
- **The Russia-Ukraine conflict and the impact of related sanctions may impact our business.**
- **The Mideast conflict and related shipping disruptions may impact our business.**
- **We operated at a loss in 2023 and 2022, and cannot predict when or if we will achieve profitability.**
- **Our management discovered a material weakness in our disclosure controls and procedures and internal control over financial reporting as required to be implemented by Section 404 of the Sarbanes-Oxley Act of 2002.**
- **We might not be able to continue as a going concern, which would likely cause our stockholders to lose most or all of their investment.**
- **A material reduction in the retail price of traditional utility generated electricity or electricity from other sources could harm our business, financial condition, results of operations and prospects.**
- **Existing electric utility industry regulations, and changes to regulations, may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our solar energy systems.**
- **Our growth strategy depends on the widespread adoption of solar power technology.**
- **Our business currently depends on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits and incentives would adversely impact our business.**
- **Our business depends in part on the regulatory treatment of third-party owned solar energy systems.**
- **Our ability to provide solar energy systems to residential customers on an economically viable basis depends on our ability to help customers arrange financing for such systems.**
- **We may not realize the anticipated benefits of completed and potential future acquisitions, and integration of these acquisitions may disrupt our business and operations.**
- **We will require additional financing to sustain our operations, without which we may not be able to maintain our business and operations, and the terms of subsequent financings may adversely impact our stockholders.**
- **The share price of our Common Stock is subject to fluctuation, has been and may continue to be volatile and may decline regardless of our operating performance, resulting in substantial losses for investors who have purchased shares of our Common Stock.**
- **If we experience a significant disruption in our information technology systems or if we fail to implement new systems and software successfully, our business could be adversely affected. A cyberattack could lead to a material disruption of our information technology systems or the IT systems of our third-party providers and the loss of business information, which may hinder our ability to conduct our business effectively and may result in lost revenues and additional costs.**

PART I

Item 1. Business.

Forward-looking Statements

Statements in this Annual Report on Form 10-K that are not historical facts constitute forward-looking statements. Examples of forward-looking statements include statements relating to industry prospects, our future economic performance including anticipated revenues and expenditures, results of operations or financial position, and other financial items, our business plans and objectives, and may include certain assumptions that underlie forward-looking statements. Risks and uncertainties that may affect our future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements include, among other things, those listed under “Risk Factors” and elsewhere in this Annual Report.

These risks and uncertainties include but are not limited to:

- the potential impact of a subsequent wave of the COVID-19 pandemic on our business;
- Geopolitical risks related to the conflicts in Ukraine and the Middle East.
- our limited operating history;
- our ability to raise additional capital to maintain our business and operations and meet our objectives;
- our ability to compete in the solar power industry;
- our ability to sell solar power systems;
- our ability to arrange financing for our residential customers;
- government incentive programs related to solar energy;
- our ability to increase the size of our company and manage growth;
- our ability to acquire and integrate other businesses;
- disruptions to our supply chain from protective tariffs on imported components, supply shortages and/or fluctuations in pricing;
- our ability or inability to attract and/or retain competent employees;
- relationships with employees, consultants, customers, and suppliers; and
- the concentration of our business in one industry in limited geographic areas;

In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other comparable terminology.

These statements are subject to business and economic risk and reflect management’s current expectations and involve subjects that are inherently uncertain and difficult to predict. Actual events or results may differ materially. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of these statements. We are under no duty to update any of the forward-looking statements after the date of this Annual Report to conform these statements to actual results.

Business Introduction/Summary

Throughout our 50-year history, we have always embraced innovative change. There has never been a more meaningful, or impactful time to be a leader in the innovation that will help fight climate change. We have built a team that is passionate about transitioning American power generation and consumption to clean solar energy. We are passionately focused on our mission to accelerate the adoption of solar energy.

We are one of the largest solar energy services and infrastructure deployment companies in the country and are expanding across the United States. Our services include solar, storage and electric vehicle infrastructure, design, development and professional services, engineering, procurement, installation, O&M and storage. We uniquely target all solar markets including residential, commercial, industrial and utility segments.

Prior to becoming a public company, we were a second-generation family business founded under the name Peck Electric Co. in 1972 as a traditional electrical contractor. Our core values were and still are to align people, purpose, and profitability, and since taking leadership in 1994, Jeffrey Peck, our Chief Executive Officer and Interim Chief Financial Officer, applied such core values to expand into the solar industry. We are guided by the mission to facilitate the reduction of carbon emissions through the expansion of clean, renewable energy and we believe that leveraging such core values to deploy resources to facilitate the adoption of solar energy is the only sustainable strategy to achieve these objectives. We have positioned the company to serve all segments of the rapidly evolving solar energy markets. We are able to originate valuable solar assets through our development and design services team. We are able to leverage our digital sales and marketing capabilities to generate high quality leads for our Residential, Commercial and Industrial and Utility divisions. Our experience provides for the high-quality craftsmanship required for installing long-term assets for all customers. Our team approach allows us to collaborate across divisions in order to efficiently utilize our internal labor resources. The diversity of our service offerings allows us to serve our customer needs in the evolving solar energy environment.

On January 19, 2021, we completed a business combination (the “Merger Agreement”) pursuant to which we acquired iSun Energy LLC (“iSun Energy”). The Business Combination was an acquisition treated as a merger and reorganization and iSun Energy became a wholly owned subsidiary of The Peck Company Holdings, Inc. Immediately prior to the business combination, we changed our name to iSun, Inc. (the “Company”).

On April 6, 2021, iSun Utility, LLC (“iSun Utility”), a Delaware limited liability company and wholly-owned subsidiary of the Company, Adani Solar USA, Inc., a Delaware corporation (Adani”), and Oakwood Construction Services, Inc., a Delaware corporation (“Oakwood”) entered into an Assignment Agreement (the “Assignment”), pursuant to which iSun Utility acquired all rights to the intellectual property of Oakwood and its affiliates (the “Project IP”). Oakwood was a utility-scale solar Engineering, Procurement, Construction, Development and Design company and a wholly-owned subsidiary of Adani. The Project IP included all of the intellectual property, project references, templates, client lists, agreements, forms and processes of Adani’s U.S. solar business.

On September 8, 2021, iSun, Inc. entered into an Agreement and Plan of Merger (the “Merger Agreement”) by and among the Company, iSun Residential Merger Sub, Inc., a Vermont corporation (the “Merger Sub”) and wholly-owned subsidiary of iSun Residential, Inc., a Delaware corporation (“iSun Residential”) and wholly-owned subsidiary of the Company, SolarCommunities, Inc., d/b/a SunCommon, a Vermont benefit corporation (“SunCommon”), and Jeffrey Irish, James Moore, and Duane Peterson as a “Shareholder Representative Group” of the holders of SunCommon’s capital stock (the “SunCommon Shareholders”), pursuant to which the Merger Sub merged with and into SunCommon (the “Merger”) with SunCommon as the surviving company in the Merger and SunCommon became a wholly-owned subsidiary of iSun Residential. The Merger was effective on October 1, 2021.

We now conduct all of our business operations exclusively through our direct and indirect wholly-owned subsidiaries, iSun Residential, Inc., SolarCommunities, Inc. iSun Industrial, LLC, Peck Electric Co., Liberty Electric, Inc., iSun Utility, LLC, iSun Energy, LLC and iSun Corporate, LLC.

The world recognizes the need to transition to a reliable, renewable energy grid in the next 50 years. States from Vermont to Hawaii are leading the way in the U.S. with renewable energy goals of 75% by 2032 and 100% by 2045, respectively. California committed to 100% carbon-free energy by 2045. The majority of the other states in the U.S. also have renewable energy goals, regardless of current Federal solar policy. We are a member of Renewable Energy Vermont, an organization that advocates for clean, practical and renewable solar energy. The benefits of the newly enacted Inflation Reduction Act of 2022 (“IRA”) provide stability and certainty of incentives for the next 10 years that create value to our shareholders and provides a long-term commitment for the energy transformation. Prior to the enactment of the IRA, the federal investment tax credits associated with solar projects had a planned reduction to 22% and 10% in 2023 and 2024. The IRA offers a stable tax rate over the next ten years as well as several potential adders to the fixed investment tax credit. These credits increase the valuation of solar assets which provides margin protection on future projects. Our triple bottom line, which is geared towards people, environment, and profit, has always been our guide since we began installing renewable energy and we intend that it remain our guide over the next 50 years as we construct our energy future.

We primarily provide services to solar energy customers for projects ranging in size from several kilowatts for residential loads to multi-megawatt systems for commercial, industrial and utility projects. To date, we have installed over 600 megawatts of solar systems since inception and are focused on contracting projects that meet our margin objectives. We believe that we are well-positioned for what we believe to be the coming transformation to an all renewable energy economy. We are expanding across the United States to serve the fast-growing demand for clean renewable energy. We are open to partnering with others to accelerate our growth process, and we are planning to expand our portfolio of company-owned solar arrays to establish recurring revenue streams for many years to come. We have established a leading presence in the market after five decades of successfully serving our customers, and we are now ready for new opportunities and the next five decades of success.

The diverse nature of our service offerings allows us to manage our operations based on the maximization of value for our customers in the evolving energy market. Our core revenue stream is generated from our engineering, procurement and installation services and products consisting of solar, electrical and data installations but has expanded to include project origination, design and development services as well. Approximately 85% of our revenue is derived from our solar Engineering, Procurement and Construction business, approximately 10% of revenue is derived from our electrical and data business and approximately 5% of revenue is derived from our project origination, development and design services. Recently our growth has been derived by increasing our solar customer base, realizing the full benefit of our mergers and acquisitions and expansion into new territories. We currently operate in Vermont, Maine, New Hampshire, New York, Massachusetts, Maryland, Alabama, Georgia and North and South Carolina. Our union crews are expert constructors, and union access to an additional workforce makes us ready for rapid expansion to other states while maintaining control of operating costs. The skillset provided by our workforce is transferable among our service offerings depending on current demand.

We also plan to make investments in solar development projects and currently own approximately three megawatts of operating solar arrays operating under long-term power purchase agreements. Our joint ventures allow for a retained ownership in originated projects. These long-term recurring revenue streams, combined with our in-house development and construction capabilities, make this asset class a strategic long-term investment opportunity for us.

Market Overview

We believe that domestic solar capacity and production will experience explosive growth over the short (through 2035) and long (2050) terms. Both short-term and long-term solar production estimates by research groups vary, however even the most conservative estimates project significant growth in domestic solar deployment through 2035 and again through 2050. Current domestic production is estimated at 100GW, which services only 3% of the rapidly growing US electricity demand. According to an October 2021 US DOE Solar Futures Studyⁱ, absent any concerted policy efforts towards decarbonization, domestic solar capacity is projected to increase by 700% by 2050. Modest decarbonization efforts such as those incorporated in the current administration's Inflation Reduction Act would require cumulative solar deployment to increase much more significantly from current levels - 100 GW serving ~3% of US electricity demand in 2021 to 760-1000 GW serving 37-42% by 2035, an increase of 1150%, according to Solar Power World. The International Energy Agency (IEA) projects 270 GW of domestic solar capacity by 2026 – nearly 3x the current domestic production levels. As incentives increase and technology costs fall, the IEA also predicts renewables could account for nearly 60 percent of capacity additions through 2050. S&P Global Market Intelligence's projections are significantly more aggressive, projecting that domestic production will achieve 87% of the IEA's 2050 projection within the next 5 yearsⁱⁱ.

We agree with the conclusions of the aforementioned reports suggesting that broader decarbonization initiatives involving the decarbonization of the broader U.S. energy system through large-scale electrification of buildings, transportation, and industry will have an impact on both supply (solar deployment) and demand (electricity consumed). The IEA forecasts electricity demand growth owing to electrification of fuel-based building demands (e.g., heating), vehicles, and industrial processes of 30% from 2020 to 2035, and an additional 34% increase in energy demand from 2035 to 2050.

The Inflation Reduction Act of 2022 ("IRA") legislation will invest nearly \$370 billion in energy security and climate change programs over the next decade. The IRA renews the full 30% credit rate for Investment Tax Credit ("ITC") eligible facilities that meet the prevailing wage and apprenticeship requirements. The IRA provides a direct pay provision for tax exempt entities including local government, tribal nations, nonprofits, cooperative and municipal utilities while also allowing for the transferability of those tax credits. The IRA allows for additional bonus credits for qualifications related to domestic content, energy communities and low- and moderate-income communities. The ITC will step down to 26% in 2033 and 22% in 2034.

While these efforts will further accelerate growth, iSun also concurs with the conclusions of these reports that domestic solar capacity and production will grow regardless of legislative efforts supporting the aforementioned decarbonization efforts. Each report concludes that decarbonization efforts occurring within specific geographic markets and select industries are already underway and are driving demand for additional domestic solar capacity accordingly:

Targeted High-Value Geographic Markets: These markets offer:

1. A higher internal rate of return ("IRR") on solar investments;
2. Statewide legislation promoting decarbonization efforts that will in-turn increase electricity demand;
3. High concentrations of consumers who are proactively taking steps towards decarbonization by electrifying their homes, appliances, small businesses, and automobiles; and
4. Utilities with a favorable composition of interconnection requests and transmission and distribution capacity.

Targeted Rapidly Growing Industry Sectors: The anticipated widespread adoption of electric vehicles in the U.S. will dramatically change the landscape for domestic energy consumption and production. Mercedes, Ford, and General Motors have all committed to moving to electric or EV hybrid platforms within the decade, ensuring that by 2035, it will be difficult – if not impossible – for consumers to purchase a new car with an internal combustion engine. The average electric vehicle requires 30 kilowatt-hours to travel 100 miles - essentially the same amount of electricity an average American home uses each day. This will have a profound impact on electricity demand across each segment of the marketplace. Overnight, household electricity demand could double for the average American 2-car family. As widespread EV adoption begins to accelerate, consumers will begin looking for ways to reduce their electric bills, increasing demand for household solar solutions. Although consumer behaviors may change with EV adoption...expectations will not. Consumers will still expect that they will be able to recharge their cars quickly and easily at the places they most often frequent. This will in turn prompt commercial enterprises small and large to also look for ways to manage such expectations at reasonable costs. Expectations will be even greater at destination locations such as hotels, municipal facilities, or even remote trailheads or parks, prompting asset owners and municipalities to explore scalable solutions that may not be able to be addressed on-site. And of course, all this activity will in turn be met with an increase in electricity demand, prompting utilities to begin exploring ways of rapidly increasing their capacity.

Strategy

iSun is uniquely positioned in the marketplace to address the generational opportunity presented by automotive electrification and decarbonization. iSun's Solar Platform serves the evolving energy needs and increased energy demands presented by automotive electrification and decarbonization within each segment of the solar marketplace. Our:

1. **Residential solar brand, SunCommon:** Supports EV purchases with at-home charging, promotes residential solar + storage installation, and provides other smart home energy upgrades.
2. **Commercial & Industrial Division:** Supports EV fleet and workplace charging adoption, promotes solar projects at the workplace to help employers and businesses provide for their customers and employees, and stabilize their energy costs. Enables municipalities, destination locations, and communities and/or dwellings where on-site or roof-top installation may not be a viable option to adopt EV charging and solar solutions via resilient microgrid and community solar projects.
3. **Utility and Development Division:** Helps utilities meet increased demand and upgrade their infrastructure to with utility-scale solar projects and utilize current design and development services to originate solar projects for all divisions.

ⁱ US Residential PV Customer Acquisition Costs and Trends, Woods Mackenzie Power & Renewables, October 2021 (Connelly, White). Page 5

ⁱⁱ Solar Power World Reference.

Some of the customer needs that will result from automotive electrification and decarbonization are agnostic to scale and will be universal across all segments. A customer-centric organization, iSun has created cross-division service teams to proactively address these needs. iSun's:

1. **EV Charging** Services provides proprietary, solar-powered charging hardware and software solutions that enable grid-tied or off-grid EV charging.
2. **Development and Professional** Services provide solar developers with an a la carte menu of services they can use to help accelerate the development process, and more quickly bring their projects on-line, all without having to scale their operation.
3. **Solar Installation, Operations and Management** Services incorporates iSun's expertise as one of the largest solar contractors into a comprehensive suite of services solar asset owners can use to keep their arrays operating at peak performance levels.

Because we provide services to each segment of the marketplace, our Solar Platform enables us to adapt to the evolving range of customer demand and energy innovations resulting from decarbonization and vehicle electrification.

Customer Acquisition: iSun's growth and new customer acquisition strategies are unique to each division.

Residential: SunCommon values high-touch customer service capabilities that foster long-term customer relationships. Our focus ideally suits the contemporary market environment, where recent technologies like EV charging, energy storage and grid management are arriving early and often. The rapid pace of these deployments mean consumers will be looking to enhance their systems more regularly, increasing long-term customer value. We can cultivate and maintain these relationships at an exceptionally low cost. SunCommon reported new customer acquisition costs of \$0.13/sales for the 12 months ended December 31, 2023.

Commercial and Industrial: We continue to experience organic growth from our established relationships with national developers requesting development and EPC services. Additionally, we have made strategic investments in entities capable of providing a robust pipeline of industrial-scale EPC projects. Additionally, the transaction has provided insights into new prospective geographic markets, which has informed iSun's geographic growth strategy for its Residential and Commercial divisions.

Utility: With the acquisition of Oakwood Construction Services intellectual property, we were able to expand our utility-scale capabilities to include EPC as well as our development and professional services. Unlike EPC services, development and professional services occur prior to the commencement of construction and are not contingent upon a project proceeding to construction status. Development and professional services not only enhance cash-flows and margins on a month-to-month basis, but also afford us the rights to construction services for each project that proceeds to construction, effectively transforming the lead generation funnel for iSun. Immediate success of this strategy is demonstrated by contracts for development and professional services work on 1.3G of solar projects across 4 project sites across the US.

Ancillary Markets

Our capabilities allow for expansion into high-growth adjacent markets. We began operations as a traditional electric contractor and hold a wide range of capabilities to install electric equipment for a variety of end uses. Today, these core capabilities have developed our business in solar array installation, traditional electric, and data services. We can deploy these capabilities to other large, rapidly growing clean/renewable end market within each segment; namely electric vehicle ("EV") charging stations, data centers, energy storage and other markets. The rapid proliferation of EV charging stations has followed the shift in auto sales to electronic vehicles, and the EV charging market is expected to expand to over \$30 billion by 2024 with a CAGR of 40% over the next 2-year period. Energy storage measured by megawatts expanded by 44% year-over-year in 2018 and is projected to grow into a \$4.7 billion market by 2024. Both markets represent adjacent, high growth expansion opportunities for us, and both require minimal investment of resources, infrastructure or capital spend given its complementary nature to our existing capabilities.

Employees

As of April 16, 2024, we employed approximately 275 full-time employees. We may also utilize outside subcontractors to assist with installing solar systems for our commercial and residential customers. Our direct installation labor is a combination of employees and contract labor.

We have direct access to unionized labor, which provides a unique advantage for growth, because workforce resources can be scaled efficiently utilizing local labor unions in other states to meet specific project needs in other states without increasing fixed labor costs for us.

Financing

To promote residential sales, we assist customers in obtaining financing options. Our objective is to arrange the most flexible terms that meet the needs and wants of the customer. Although we do not yet directly provide financing, we have relationships to arrange financing with numerous private and public sources, including Mosaic, and the Vermont State Employees Credit Union, which offers VGreen financing to maximize solar investment savings.

We believe it is best for customers to own their own systems, but some customers prefer not to own their systems. We also have the ability to arrange financing with third parties through power purchase agreements and leases for our customers.

Suppliers

We purchase solar panels, inverters and materials directly from multiple manufacturers and through distributors. We intend to further coordinate purchases across all business segments and to optimize supply relationships to realize the advantages of greater scale.

If one or more of our suppliers fail to meet our supply needs, ceases or reduces production due to its financial condition, acquisition by a competitor or otherwise, it may be difficult to quickly identify alternate suppliers or to qualify alternative products on commercially reasonable terms, and our ability to satisfy this demand may be adversely affected. We do not, however, rely on any single supplier and our management believes that we can obtain needed solar panels and materials from a number of different suppliers. Accordingly, we believe that the loss of any single supplier would not materially affect our business.

We also utilize companies with subcontractors for electrical installations, for racking and solar panel installations, as well as numerous subcontractors for grading, landscaping, and construction for our commercial, and industrial customers.

Installation

We are a licensed contractor in the markets that we serve, and we are responsible for every customer installation. We manage the entire process from permitting through inspection to interconnection to the power grid, thereby making the system installation process simple and seamless for its customers. Controlling every aspect of the installation process allows us to minimize costs, ensure quality and deliver high levels of customer satisfaction.

Even with controlling every aspect of the installation process, the ability to perform on a contract is subject to limitations. There remain jurisdictional approval processes outside our immediate control including, but not limited to, approvals of city, county, state or Federal government bodies or one of their respective agencies. Other aspects outside of our direct control include approvals from various utility companies and weather conditions.

After-Sales Support

It is our intent to provide continuing operation and maintenance services for our installed residential and commercial solar systems. We provide extended factory equipment technical support and act as a service liaison using our proprietary knowledge, technology, and solar electric energy engineering staff. We do this through a 5-year limited workmanship warranty and operations and maintenance program, which among other things, provides a service and technical support line to our customers. We generally respond to our job site related issues within 24 hours and offer assistance as long as required to maintain customer satisfaction. Our price to customers includes this warranty, and also includes the pass through of various manufacturers' warranties that are typically up to 25 years.

Customers

Historically, the majority of our revenue came from commercial and industrial solar installations ranging in size from 100 kilowatts to 10 megawatts. In 2023, we continued to expand our capabilities to serve customers across the residential, commercial, industrial and utility markets. We expanded our services based on customer demand to include development and professional services, engineering, procurement, installation, storage, monitoring and electric vehicle infrastructure support.

In 2023, approximately 35% of revenues were generated by residential installations, approximately 50% of revenues were generated by commercial and industrial installations, 11% of revenues were generated from electrical and data contracts, and 4% of revenues were generated by project origination services. In 2022, approximately 52% of our revenues were generated by residential installations, approximately 33% of revenues were generated by commercial and industrial installations, 10% of revenue were generated from our electrical and data contracts, and 5% of revenues were generated by project origination services.

We believe that we have an advantage in the commercial solar market in New England given our extensive contact list, resulting from our experience in the commercial and industrial construction market, which also provides access to customers that trust us. Through our network of vendors, participation in variety of industry trade associations and independent sales consultants, we now have a growing list of repeat clients, as well as an active and loyal referral network. As new markets open in other key geographic regions, we are able to leverage our reputation and long-term customer relationships for market entry.

Competitors

In the solar installation market, we compete with companies that offer products similar to our products. Some of these companies have greater financial resources, operational experience, and technical capabilities than we do. When bidding for solar installation projects, however, our current experience suggests that we are the dominant or preferred competitor in the markets in which we compete. We do not believe that any competitor has more than 10% of the market across all the areas in which we currently operate. We compete with other solar installers on our expertise and proven track record of performance. Also, pricing, service and the ability to arrange financing may be important for a project award.

Seasonality

We often find that some customers tend to book projects by the end of a calendar year to realize the benefits of available subsidy programs prior to year-end. This results in third and fourth quarter sales being more robust usually at the expense of the first quarter. In the future, this seasonality may cause fluctuations in financial results. In addition, other seasonality trends may develop and the existing seasonality that we experience may change. Weather can also be an important factor affecting project timelines.

Technology and Intellectual Property

Generally, the solar EPC business is not dependent on intellectual property. We did acquire the intellectual property of Oakwood Construction Services, LLC which provides proprietary capabilities for solar asset development and execution of large utility scale solar projects at a significant value to our customers.

Government Regulation and Incentives

Government Regulation

We are not regulated as a public utility in the United States under applicable national, state or other local regulatory regimes where we conduct business.

To operate our systems, we obtain interconnection permission from the applicable local primary electric utility. Depending on the size of the solar energy system and local law requirements, interconnection permission is provided by the local utility and we and/or our customer. In almost all cases, interconnection permissions are issued on the basis of a standard process that has been pre-approved by the local public utility commission or other regulatory body with jurisdiction over net metering procedures. As such, no additional regulatory approvals are required once interconnection permission is given.

Our operations are subject to stringent and complex federal, state and local laws, including regulations governing the occupational health and safety of our employees and wage regulations. For example, we are subject to the requirements of OSHA, the DOT and comparable state laws that protect and regulate employee health and safety.

Government Incentives

Federal, state and local government bodies provide incentives to owners, end users, distributors, system integrators and manufacturers of solar energy systems to promote solar energy in the form of rebates, tax credits and other financial incentives such as system performance payments, payments for renewable energy credits associated with renewable energy generation and exclusion of solar energy systems from property tax assessments. These incentives enable iSun to lower the price it charges customers to own or lease, our solar energy systems, helping to catalyze customer acceptance of solar energy as an alternative to utility-provided power.

The Inflation Reduction Act of 2022 (“IRA”) legislation will invest nearly \$370 billion in energy security and climate change programs over the next decade. The Act renews the full 30% credit rate for Investment Tax Credit (“ITC”) of eligible facilities that meet the prevailing wage and apprenticeship requirements. The IRA provides a direct pay provision for tax exempt entities including local governments, tribal nations, nonprofits, cooperative and municipal utilities while also allowing for the transferability of those tax credits. The IRA allows for additional bonus credits for qualifications related to domestic content, energy communities and low- and moderate-income communities. The ITC will step down to 26% in 2033 and 22% in 2034.

The economics of purchasing a solar energy system are also improved by eligibility for accelerated depreciation, also known as the modified accelerated cost recovery system, or MACRS depreciation, which allows for the depreciation of equipment according to an accelerated schedule set forth by the Internal Revenue Service. The acceleration of depreciation creates a valuable tax benefit that reduces the overall cost of the solar energy system and increases the return on investment.

Approximately 50% of states in the U.S. offer a personal and/or corporate investment or production tax credit for solar energy that is additive to the ITC. Further, these states, and many local jurisdictions, have established property tax incentives for renewable energy systems that include exemptions, exclusions, abatements, and credits. Many state governments, traditional utilities, municipal utilities and co-operative utilities offer a rebate or other cash incentive for the installation and operation of a solar energy system or energy efficiency measures. Capital costs or “up-front” rebates provide funds to solar customers based on the cost, size or expected production of a customer’s solar energy system. Performance-based incentives provide cash payments to a solar energy system owner based on the energy generated by their solar energy system during a pre-determined period, and they are paid over that time period. Depending on the cost of the system and other site-specific variables, tax incentives can typically cover 30-40% of the cost of a commercial or residential solar system.

Many states also have adopted procurement requirements for renewable energy production that requires regulated utilities to procure a specified percentage of total electricity delivered to customers in the State from eligible renewable energy sources, such as solar energy systems, by a specified date.

Environmental, Social and Corporate Governance

Governance and Strategic Overview

In 2023, iSun built upon its historic foundation of environmentally and socially responsible business by formalizing an enterprise-level ESG strategy. This strategy is overseen by an ESG Executive Committee and guided by the Corporate Governance Committee on the Board of Directors. Our governance efforts have included developing and publishing a core set of policies that speak to our position on and approach to a range of environmental, social, and governance issues. Through a stakeholder engagement process and iSun employee interviews, we have identified a set of material issues that are critical to both our business and to our key stakeholders. As such, we have developed policies and are implementing initiatives related to climate change and environmental stewardship, diversity, equity and inclusion (DEI), labor management and human rights, and stakeholder engagement. We are also formalizing and implementing a Business Code of Conduct as well as a Supplier Code of Conduct.

Our strategic plan is designed to mitigate the risks and capitalize on the opportunities associated with these issues, with an explicit focus on aligning our commercial goals and impact aspirations to drive both shareholder and broader stakeholder value. This strategy will be guided by cross-functional working groups comprised of leaders from across the company and will have explicit goals, key performance indicators (KPIs), and timelines for implementing the initiatives that address each issue.

iSun will be focused on integrating, aligning, and scaling the impact programs developed over the years by SunCommon, our recently purchased subsidiary, which is a Vermont benefit corporation and a certified B corporation and a recognized leader in the world of socially responsible business.

iSun is currently in compliance with all ESG-related requirements of the SEC and of Nasdaq including the Board Diversity Disclosure Matrix provided below.

iSun, Inc. Board Diversity Matrix

Total Number of Directors : 5

	Female	Male	Non-Binary	Did Not Disclose Gender
Part 1: Gender Identity				
Directors	1	4	0	0
Part 2: Demographic Background				
African American or Black	0	0	0	0
Alaskan Native or Native American	0	0	0	0
Asian	0	0	0	0
Hispanic or Latin	0	0	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	1	4	0	0
Two or more Races/Ethnicities	0	0	0	0
LGBTQ+	0	0	0	0
Did Not Disclose Demographic Background	0	0	0	0

Risks and Opportunities

Climate change, and its associated issues like emissions, energy management, waste, and water management – have been identified as critical to our social mission and the concerns of our commercial customers, employees, and investors. Our mission to accelerate the world’s transition from dirty to clean energy can only be achieved if we are also decarbonizing our own operations and supply chains. We will be setting long-term goals on climate change and these associated environmental issues after we conduct our first enterprise Greenhouse Gas (GHG) accounting exercise to determine our scopes 1, 2, and 3 emissions.

Human capital, and diversity, equity, and inclusion (DEI), have been identified as critical to our long-term success and social impact aspirations. Human capital has become an increasingly important topic for investors and society at large. It is also integral to the long-term success of our business as we rely heavily on our installation teams and the union members we employ. In turn, we will be ramping up our focus on workforce development and upward mobility opportunities for our employees, advancing work opportunities for diverse and at-risk populations, as well as supporting economic inclusion within our supply chains through a minority-owned business procurement program.

Governance and corporate transparency, both internally and externally, is another core risk and opportunity to address. Our revamped ESG governance structure and utilization of the ESG project management platform, ESGProgram.io, will ensure alignment and integration of these efforts across the iSun enterprise. An internal and external ESG communications plan will also ensure our intentions, efforts, and outcomes are well understood by our external stakeholders and greater operational alignment with our internal teams. Lastly, we will be providing ESG education to our executive leaders and Board to ensure they can actively contribute to the success of our ESG strategy.

Climate Change and Human Capital Management

Climate change and human capital management are two leading ESG issues across industries. From investor expectations to SEC disclosure regulations, climate risk management and human capital management have emerged as the two most critical issues from a stakeholder and general public perspective.

Our objectives for climate change include measuring and reducing our emissions, waste, and water, enhancing our operational climate risk resilience, and developing service offerings that support the climate risk resilience of our customers. We will be setting long-term climate change goals, KPI’s, and timelines for achievement, as well as reporting our progress in a 2024 Task Force for Climate-Related Financial Disclosures (TCFD) report.

Our objectives for human capital management include increasing the diversity of our workforce and procurement partners, creating upward mobility opportunities for diverse employees and field staff, as well as increasing the visibility and importance of the trades in the communities we live and work. We will be setting long-term human capital goals, KPI’s, and timelines for achievement, as well as reporting our progress in 2023 with the relevant metrics from the Sustainable Accounting Standards Boards (SASB).

Commitments

We will be implementing our enterprise ESG strategic plan across our operations. As our cross-functional working groups get up and running, we will begin our enterprise GHG emissions assessment and develop the internal infrastructure for consistent ESG data collection. All material issues will be overseen by their relevant functional leaders and will have explicit and quantified goals, KPI’s, and timelines for achievement. We will be reporting on our progress throughout the year, culminating in a ESG report and complete with a Sustainable Accounting Standards Boards (SASB) and Task Force for Climate-related Financial Disclosures (TCFD) reports. Our progress will be actively communicated externally on our website and in governance documents to ensure full visibility into our ESG intentions, efforts, and results.

Corporate Information

Our address is 400 Avenue D, Suite 10, Williston, VT 05495 and our telephone number is (802) 658-3378. Our corporate website is: www.isunenergy.com. The content of our website shall not be deemed incorporated by reference in this Annual Report.

Item 1A. Risk Factors.

An investment in our Common Stock involves significant risks. You should carefully consider the risk factors contained in this Annual Report and in our filings with the SEC before you decide to invest in our Common Stock. Our business, prospects, financial condition and results of operations may be materially and adversely affected as a result of any of such risks. The value of our Common Stock could decline as a result of any of these risks. You could lose all or part of your investment in our Common Stock. Some of our statements in sections entitled “Risk Factors” are forward-looking statements. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations.

The impact of a subsequent wave of the coronavirus pandemic (COVID-19) on general market and economic conditions has yet to be determined and if it occurs it is likely to have a material adverse effect on our business and results of operations.

As of the date of this Annual Report on Form 10-K, the coronavirus pandemic (COVID-19) had resulted in widespread disruption to capital markets and general economic and business climate. The extent to which COVID-19 affects our future results, or those of our suppliers, will depend on future developments, which are highly uncertain and cannot be predicted. At this time, no material impact to our business and operations is anticipated.

The Russian-Ukraine conflict and the impact of related sanctions may impact our business.

As of the date of this Annual Report on Form 10-K, the Russia-Ukraine conflict and related sanctions have not had any impact on our business. However, we may be impacted by the disruptions of the global supply chain.

The Mideast conflict and related shipping disruptions may impact our business.

As of the date of this Annual Report on Form 10-K, the Mideast conflict and related shipping disruptions have not had any impact on our business. However, we may be impacted by the disruptions of the global supply chain.

Risks Related to Our Financial Position and Capital Requirements

We might not be able to continue as a going concern, which would likely cause our stockholders to lose most or all of their investment

Our audited financial statements for the year ended December 31, 2023 were prepared under the assumption that we would continue as a going concern. However, we have concluded that there is substantial doubt about our ability to continue as a going concern, therefore our independent registered public accounting firm included a “going concern” explanatory paragraph in its report on our financial statements for the year ended December 31, 2023, indicating that, without additional sources of funding, our cash at December 31, 2023 is not sufficient for us to operate as a going concern for a period of at least one year from the date that the financial statements included in this Annual Report on Form 10-K are issued. Management’s plans concerning these matters, including our need to raise additional capital, are described in Note 3 – Liquidity and Going Concern of our financial statements included within this Annual Report on Form 10-K, however, management cannot assure you that its plans will be successful. If we cannot continue as a viable entity, our stockholders would likely lose most or all of their investment in us.

We operated at a loss in 2023 and 2022 and cannot predict when we will achieve profitability.

Our management believes that achieving profitability will depend in large part on our ability to increase market share in our existing market segments and expand our geographic foot print and to consummate synergistic acquisitions. No assurance can be given that we will achieve profitably or that we will have adequate working capital to meet our obligations as they become due. We have generated losses since we began operations, including net losses of approximately \$19.4 million and \$53.8 million for the years ended December 31, 2023 and 2022. The Company has also taken steps to reduce overhead through the consolidation of certain shared services, Finance, IT, HR and administrative functions. Our residential division has customer orders of approximately \$13.4 million expected to be completed within four to six months, our commercial division has a contracted backlog of approximately \$26.8 million expected to be completed within six to eight months and our industrial division has a contracted backlog of approximately \$120.0 million expected to be completed within twelve to eighteen months. The Company is projecting revenue to stabilize at approximately \$100M which will provide sufficient cash flow from operations.

We may require substantial additional funding which may not be available to it on acceptable terms, or at all. If we fail to raise the necessary additional capital, we may be unable to maintain our business and operations.

The Company was not profitable in 2023 and 2022. The Company intends to decrease our spending for our operating expenses.

We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue our organic growth or corporate acquisitions. Any of these events could significantly harm our business, financial condition, and strategy.

In order to carry out our business plan and implement our strategy, we anticipate that we will need to obtain additional financing from time to time, and we may choose to raise additional funds through strategic collaborations, public or private equity or debt financing, bank lines of credit, asset sales, government grants, or other arrangements. Our management cannot be sure that any additional funding, if needed, will be available on favorable terms or at all. Furthermore, any additional equity or equity-related financing obtained may be dilutive to our stockholders, and debt or equity financing, if available, may subject us to restrictive covenants and significant interest costs.

An inability to raise capital when needed could harm our business, financial condition and results of operations, and could cause our stock price to decline or require that we cease operations.

Our management discovered material weaknesses in our disclosure controls and procedures and internal control over financial reporting as required to be implemented by Section 404 of the Sarbanes-Oxley Act of 2002.

We are currently subject to Section 404 of the Sarbanes-Oxley Act of 2002 and are required to provide management’s attestation on internal controls. Our management has identified control deficiencies and the need for a stronger internal control environment relating to the financial statement close process.

The ineffectiveness of the design, implementation and operation of the controls surrounding these matters creates a reasonable possibility that a material misstatement to the consolidated financial statements would not be prevented or detected on a timely basis. Accordingly, our management concluded that this deficiency represents a material weakness in our internal control over financial reporting as of December 31, 2023. Although our management has taken significant steps to remediate this weakness, our management can give no assurance that all the measures it has taken will on a permanent and sustainable basis remediate the material weaknesses in our disclosure controls and procedures and internal control over financial reporting or that any other material weaknesses or restatements of financial results will not arise in the future. We plan to take additional steps to remedy this material weakness. If we are not able to implement the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 in the future, we will not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our Common Stock.

Risks Related to Our Business and Industry

A material reduction in the retail price of traditional utility generated electricity or electricity from other sources could harm our business, financial condition, results of operations and prospects.

Our management believes that a significant number of our customers decide to buy solar energy because they want to pay less for electricity than what is offered by the traditional utilities.

The customer's decision to choose solar energy may also be affected by the cost of other renewable energy sources. Decreases in the retail prices of electricity from the traditional utilities or from other renewable energy sources would harm our ability to offer competitive pricing and could harm our business. The price of electricity from traditional utilities could decrease as a result of:

- construction of a significant number of new power generation plants, including plants utilizing natural gas, nuclear, coal, renewable energy or other generation technologies;
- relief of transmission constraints that enable local centers to generate energy less expensively;
- reductions in the price of natural gas;
- utility rate adjustment and customer class cost reallocation;
- energy conservation technologies and public initiatives to reduce electricity consumption;
- development of new or lower-cost energy storage technologies that have the ability to reduce a customer's average cost of electricity by shifting load to off-peak times; or
- development of new energy generation technologies that provide less expensive energy.

A reduction in utility electricity prices would make the purchase or the lease of our solar energy systems less economically attractive. If the retail price of energy available from traditional utilities were to decrease due to any of these reasons, or other reasons, we would be at a competitive disadvantage, may be unable to attract new customers and our growth would be limited.

Existing electric utility industry regulations, and changes to regulations, may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our solar energy systems.

Federal, state and local government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services. These regulations and policies often relate to electricity pricing and the interconnection of customer-owned electricity generation. In the United States, governments and utilities continuously modify these regulations and policies. These regulations and policies could deter customers from purchasing renewable energy, including solar energy systems. This could result in a significant reduction in the potential demand for our solar energy systems. For example, utilities commonly charge fees to larger, industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. These fees could increase our customers' cost to use our systems and make them less desirable, thereby harming our business, prospects, financial condition and results of operations. In addition, depending on the region, electricity generated by solar energy systems competes most effectively with expensive peak-hour electricity from the electric grid, rather than the less expensive average price of electricity. Modifications to the utilities' peak hour pricing policies or rate design, such as to a flat rate, would require us to lower the price of our solar energy systems to compete with the price of electricity from the electric grid.

In addition, any changes to government or internal utility regulations and policies that favor electric utilities could reduce our competitiveness and cause a significant reduction in demand for our products and services. For example, certain jurisdictions have proposed assessing fees on customers purchasing energy from solar energy systems or imposing a new charge that would disproportionately impact solar energy system customers who utilize net metering, either of which would increase the cost of energy to those customers and could reduce demand for our solar energy systems. It is possible charges could be imposed on not just future customers but our existing customers, causing a potentially significant consumer relations problem and harming our reputation and business. Due to the current concentration of our business in Vermont, any such changes in these markets would be particularly harmful to our business, results of operations, and future growth.

Our growth strategy depends on the widespread adoption of solar power technology.

The market for solar power products is emerging and rapidly evolving, and our future success is uncertain. If solar power technology proves unsuitable for widespread commercial deployment or if demand for solar power products fails to develop sufficiently, we would be unable to generate enough revenues to achieve and sustain profitability and positive cash flow. The factors influencing the widespread adoption of solar power technology include but are not limited to:

- cost-effectiveness of solar power technologies as compared with conventional and non-solar alternative energy technologies;
- performance and reliability of solar power products as compared with conventional and non-solar alternative energy products;
- fluctuations in economic and market conditions which impact the viability of conventional and non-solar alternative energy sources, such as increases or decreases in the prices of oil and other fossil fuels;
- continued deregulation of the electric power industry and broader energy industry; and
- availability of governmental subsidies and incentives.

Our business currently depends on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits and incentives would adversely impact our business.

U.S. federal, state and local government bodies provide incentives to end users, distributors, system integrators and manufacturers of solar energy systems to promote solar electricity in the form of rebates, tax credits and other financial incentives such as system performance payments and payments for renewable energy credits associated with renewable energy generation. These governmental rebates, tax credits and other financial incentives enhance the return on investment for our customers and incent them to purchase solar systems. These incentives enables us to lower the price that we charge customers for energy and for solar energy systems. However, these incentives may expire on a particular date, end when the allocated funding is exhausted, or be reduced or terminated as solar energy adoption rates increase. These reductions or terminations often occur without warning.

Reductions in, or eliminations or expirations of, governmental incentives could adversely impact our results of operations and our ability to compete in our industry, causing us to increase the prices of our solar energy systems, and reducing the size of our addressable market. In addition, this would adversely impact our ability to attract investment partners and to form new financing funds and our ability to offer attractive financing to prospective customers.

Our business depends in part on the regulatory treatment of third-party owned solar energy systems.

Our leases and any power purchase agreements are third-party ownership arrangements. Sales of electricity by third parties face regulatory challenges in some states and jurisdictions. Other challenges pertain to whether third-party owned systems qualify for the same levels of rebates or other non-tax incentives available for customer-owned solar energy systems, whether third-party owned systems are eligible at all for these incentives, and whether third-party owned systems are eligible for net metering and the associated significant cost savings. Reductions in, or eliminations of, this treatment of these third-party arrangements could reduce demand for our systems, adversely impact our access to capital and could cause us to increase the price that we charge our customers for energy.

Our ability to provide solar energy systems to customers on an economically viable basis depends on our ability to help customers arrange financing for such systems.

Our solar energy systems have been eligible for federal investment tax credits or U.S. Treasury grants, as well as depreciation benefits. We have relied on, and will continue to rely on, financing structures that monetize a substantial portion of those benefits and provide financing for our solar energy systems. With the lapse of the U.S. Treasury grant program, we anticipate that our customers' reliance on these tax-advantaged financing structures will increase substantially. If, for any reason, our customers were unable to continue to monetize those benefits through these arrangements, we may be unable to provide and maintain solar energy systems for new customers on an economically viable basis.

The availability of this tax-advantaged financing depends upon many factors, including, but not limited to:

- the state of financial and credit markets;
- changes in the legal or tax risks associated with these financings; and
- non-renewal of these incentives or decreases in the associated benefits.

U.S. Treasury grants are no longer available for new solar energy systems. Changes in existing law and interpretations by the Internal Revenue Service and the courts could reduce the willingness of funding sources to provide funds to customers of these solar energy systems. We cannot assure you that this type of financing will be available to our customers. If, for any reason, we are unable to find financing for solar energy systems, we may no longer be able to provide solar energy systems to new customers on an economically viable basis. This would have a material adverse effect on our business, financial condition, and results of operations.

Rising interest rates could adversely impact our business.

Increases in interest rates could have an adverse impact on our business by increasing our cost of capital, which would increase our interest expense on any variable rate indebtedness and make acquisitions more expensive to undertake.

Further, rising interest rates may negatively impact our ability to arrange financing for our customers on favorable terms to facilitate our customers' purchases of our solar energy systems. The majority of our cash flows to date have been from the sales of solar energy systems. Rising interest rates may have the effect of depressing the sales of solar energy systems because many consumers finance their purchases.

As a result, an increase in interest rates may negatively affect our costs and reduce our revenues, which would have an adverse effect on our business, financial condition, and results of operations.

If we cannot compete successfully against other solar and energy companies, we may not be successful in developing our operations and our business may suffer.

The solar and energy industries are characterized by intense competition and rapid technological advances, both in the United States and internationally. We compete with solar companies with business models that are similar to ours. In addition, we compete with solar companies in the downstream value chain of solar energy. For example, we face competition from purely finance driven organizations that acquire customers and then subcontract out the installation of solar energy systems, from installation businesses that seek financing from external parties, from large construction companies and utilities, and increasingly from sophisticated electrical and roofing companies. Some of these competitors specialize in the residential solar energy market, and some may provide energy at lower costs than we do. Further, some competitors are integrating vertically in order to ensure supply and to control costs. Many of our competitors also have significant brand name recognition and have extensive knowledge of our target markets.

If we are unable to compete in the market, we will experience an adverse effect on our business, financial condition, and results of operations.

Adverse economic conditions may have material adverse consequences on our business, results of operations and financial condition.

Unpredictable and unstable changes in economic conditions, including recession, inflation, increased government intervention, or other changes, may adversely affect our general business strategy. We rely upon our ability to generate additional sources of liquidity and we may need to raise additional funds through public or private debt or equity financings in order to fund existing operations or to take advantage of opportunities, including acquisitions of complementary businesses or technologies. Any adverse event would have a material adverse impact on our business, results of operations and financial condition.

Our business is concentrated in certain markets, putting it at risk of region-specific disruptions.

As of December 31, 2023, a vast majority of our total solar installations were in the Northeast. Our management expects our near-term future growth to occur throughout the Eastern United States, and to further expand our customer base and operational infrastructure. Accordingly, our business and results of operations are particularly susceptible to adverse economic, regulatory, political, weather and other conditions in such markets and in other markets that may become similarly concentrated.

If we are unable to retain and recruit qualified technicians and advisors, or if our key executives, key employees or consultants discontinue their employment or consulting relationship with us, we may delay our development efforts or otherwise harm our business.

We may not be able to attract or retain qualified management or technical personnel in the future due to the intense competition for qualified personnel among solar, energy, and other businesses. Our industry has experienced a high rate of turnover of management personnel in recent years. If we are not able to attract, retain, and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the successful development of any product candidates, our ability to raise additional capital, and our ability to implement our overall business strategy.

We are highly dependent on members of our management and technical staff. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level, and senior managers as well as junior, mid-level, and senior technical personnel. The loss of any of our executive officers, key employees, or consultants and our inability to find suitable replacements could potentially harm our business, financial condition, and prospects. We may be unable to attract and retain personnel on acceptable terms given the competition among solar and energy companies. Certain of our current officers, directors, and/or consultants hereafter appointed may from time to time serve as officers, directors, scientific advisors, and/or consultants of other solar and energy companies. We do not maintain “key man” insurance policies on any of our officers or employees. Other than certain members of our senior management team, all of our employees are employed “at will” and, therefore, each employee may leave our employment and join a competitor at any time.

We plan to grant stock options, restricted stock grants, or other forms of equity awards in the future as a method of attracting and retaining employees, motivating performance, and aligning the interests of employees with those of our stockholders. If we are unable to implement and maintain equity compensation arrangements that provide sufficient incentives, we may be unable to retain our existing employees and attract additional qualified candidates. If we are unable to retain our existing employees and attract additional qualified candidates, our business and results of operations could be adversely affected.

The execution of our business plan and development strategy may be seriously harmed if integration of our senior management team is not successful.

As our business continues to grow and in the event that we acquire new businesses, we may experience significant changes in our senior management team. Failure to integrate our Board of Directors and senior management teams may negatively affect the operations of our business.

We may not successfully implement our business model.

Our business model is predicated on our ability to build and sell solar systems at a profit, and through organic growth, geographic expansion and strategic acquisitions. Our management intends to continue to operate our business as it has previously, with sourcing and marketing methods that we have used successfully in the past. However, our management cannot assure you that our methods will continue to attract new customers nor that we can achieve profitability in the very competitive solar systems marketplace.

We may not be able to effectively manage our growth.

Our future growth, if any, may cause a significant strain on our management and our operational, financial, and other resources. Our ability to manage our growth effectively will require us to implement and improve our operational, financial, and management systems and to expand, train, manage, and motivate our employees. These demands may require the hiring of additional management personnel and the development of additional expertise by our management. Any increase in resources used without a corresponding increase in our operational, financial, and management systems could have a material adverse effect on our business, financial condition, and results of operations.

We may not realize the anticipated benefits of completed and future acquisitions, and integration of these acquisitions may disrupt our business and management.

We have acquired and, in the future, we may acquire companies, project pipelines, products or technologies or enter into joint ventures or other strategic initiatives. We may not realize the anticipated benefits of these acquisition and any acquisition has numerous risks. These risks include the following:

- difficulty in assimilating the operations and personnel of the acquired company;
- difficulty in effectively integrating the acquired technologies or products with our current technologies;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- disruption of our ongoing business and distraction of management and employees from other opportunities and challenges due to integration issues;
- difficulty integrating the acquired company's accounting, management information, and other administrative systems;
- inability to retain key technical and managerial personnel of the acquired business;
- inability to retain key customers, vendors, and other business partners of the acquired business;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact operating results;
- potential failure of the due diligence processes to identify significant issues with product quality, legal and financial liabilities, among other things;
- potential inability to assert that internal controls over financial reporting are effective; and
- potential inability to obtain, or obtain in a timely manner, approvals from governmental authorities, which could delay or prevent such acquisitions.

Mergers and acquisitions of companies are inherently risky and, if we do not complete the integration of acquired businesses successfully and in a timely manner, we may not realize the anticipated benefits of the acquisitions to the extent anticipated, which could adversely affect our business, financial condition, or results of operations.

With respect to providing electricity on a price-competitive basis, solar systems face competition from traditional regulated electric utilities, from less-regulated third party energy service providers and from new renewable energy companies.

The solar energy and renewable energy industries are both highly competitive and continually evolving as participants strive to distinguish themselves within their markets and compete with large traditional utilities. We believe that our primary competitors are the traditional utilities that supply electricity to our potential customers. Traditional utilities generally have substantially greater financial, technical, operational and other resources than we do. As a result, these competitors may be able to devote more resources to the research, development, promotion, and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can. Traditional utilities could also offer other value-added products or services that could help them to compete with us even if the cost of electricity they offer is higher than that of ours. In addition, a majority of utilities' sources of electricity is non-solar, which may allow utilities to sell electricity more cheaply than electricity generated by our solar energy systems.

We also compete with companies that are not regulated like traditional utilities, but that have access to the traditional utility electricity transmission and distribution infrastructure pursuant to state and local pro-competitive and consumer choice policies. These energy service companies are able to offer customers electricity supply-only solutions that are competitive with our solar energy system options on both price and usage of renewable energy technology while avoiding the long-term agreements and physical installations that our current fund-financed business model requires. This may limit our ability to attract new customers; particularly those who wish to avoid long-term contracts or have an aesthetic or other objection to putting solar panels on their roofs.

As the solar industry grows and evolves, we will also face new competitors who are not currently in the market. Low technological barriers to entry characterize our industry and well-capitalized companies could choose to enter the market and compete with it. Our failure to adapt to changing market conditions and to compete successfully with existing or new competitors will limit our growth and will have a material adverse effect on our business and prospects.

Developments in alternative technologies or improvements in distributed solar energy generation may materially adversely affect demand for our offerings.

Significant developments in alternative technologies, such as advances in other forms of distributed solar power generation, storage solutions such as batteries, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of centralized power production may materially and adversely affect our business and prospects in ways management does not currently anticipate. Any failure by us to adopt new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay deployment of our solar energy systems, which could result in product obsolescence, the loss of competitiveness of our systems, decreased revenue and a loss of market share to competitors.

Due to the limited number of suppliers in our industry, the acquisition of any of these suppliers by a competitor or any shortage, delay, price change, imposition of tariffs or duties or other limitation in our ability to obtain components or technologies that we use could result in sales and installation delays, cancellations, and loss of market share.

While we purchase our products from several different suppliers, if one or more of the suppliers on which we rely to meet anticipated demand ceases or reduces production due to its financial condition, is acquired by a competitor or otherwise is unable to increase production as industry demand increases, or is otherwise unable to allocate sufficient production to us, it may be difficult for us to quickly identify alternate suppliers or to qualify alternative products on commercially reasonable terms, and our ability to satisfy this demand may be adversely affected. There are a limited number of suppliers of solar energy system components and technologies. While we believe there are other sources of supply for these products available, transitioning to a new supplier may result in additional costs and delays in acquiring our solar products and deploying our systems. These issues could harm our business or financial performance.

In addition, the acquisition of a component supplier or technology provider by one of our competitors could limit our access to such components or technologies and require significant redesigns of our solar energy systems or installation procedures and have a material adverse effect on our business.

There have also been periods of industry-wide shortages of key components, including solar panels, in times of industry disruption. The manufacturing infrastructure for some of these components has a long lead-time, requires significant capital investment and relies on the continued availability of key commodity materials, potentially resulting in an inability to meet demand for these components. The solar industry is frequently experiencing significant disruption and, as a result, shortages of key components, including solar panels, may be more likely to occur, which in turn may result in price increases for such components. Even if industry-wide shortages do not occur, suppliers may decide to allocate key components with high demand or insufficient production capacity to more profitable customers, customers with long-term supply agreements or customers other than us and our supply of such components may be reduced as a result.

Typically, we purchase the components for our solar energy systems on an as-needed basis and do not operate under long-term supply agreements. The vast majority of our purchases are denominated in U.S. dollars. Since our revenue is also generated in U.S. dollars, we are mostly insulated from currency fluctuations. However, since our suppliers often incur a significant amount of their costs by purchasing raw materials and generating operating expenses in foreign currencies, if the value of the U.S. dollar depreciates significantly or for a prolonged period of time against these other currencies, this may cause our suppliers to raise the prices they charge us, which could harm our financial results. Any supply shortages, delays, price changes or other limitation in our ability to obtain components or technologies that we use could limit our growth, cause cancellations or adversely affect our profitability, and result in loss of market share and damage to our brand.

We act as the licensed general contractor for our customers and are subject to risks associated with construction, cost overruns, delays, regulatory compliance and other contingencies, any of which could have a material adverse effect on our business and results of operations.

We are a licensed contractor and we are normally the general contractor, electrician, construction manager, and installer for our solar energy systems. We may be liable to customers for any damage that we cause to the home, business premises, belongings or property of our customers during the installation of our systems. For example, we penetrate our customers' roofs during the installation process and may incur liability for the failure to adequately weatherproof such penetrations following the completion of installation of solar energy systems. In addition, because the solar energy systems that we deploy are high-voltage energy systems, we may incur liability for the failure to comply with electrical standards and manufacturer recommendations. Because our profit on a particular installation is based in part on assumptions as to the cost of such project, cost overruns, delays, or other execution issues may cause us to not achieve our expected results or cover our costs for that project.

In addition, the installation of solar energy systems is subject to oversight and regulation in accordance with national, state, and local laws and ordinances relating to building, fire and electrical codes, safety, environmental protection, utility interconnection and metering, and related matters. We also rely on certain employees to maintain professional licenses in many of the jurisdictions in which we operate, and our failure to employ properly licensed personnel could adversely affect our licensing status in those jurisdictions. It is difficult and costly to track the requirements of every authority having jurisdiction over our operations and our solar energy systems. Any new government regulations or utility policies pertaining to our systems, or changes to existing government regulations or utility policies pertaining to our systems, may result in significant additional expenses to our customers and, as a result, could cause a significant reduction in demand for our systems.

If we experience a significant disruption in our information technology systems or if we fail to implement new systems and software successfully, our business could be adversely affected. A cyberattack could lead to a material disruption of our information technology systems or the IT systems of our third-party providers and the loss of business information, which may hinder our ability to conduct our business effectively and may result in lost revenues and additional costs.

We depend on information systems throughout our company to process orders, manage inventory, process and bill shipments and collect cash from our customers, respond to customer inquiries, contribute to our overall internal control processes, maintain records of our property, plant and equipment, and record and pay amounts due vendors and other creditors. If we were to experience a prolonged disruption in our information systems that involve interactions with customers and suppliers, it could result in the loss of sales and customers and/or increased costs, which could adversely affect our overall business operation.

Compliance with occupational safety and health requirements and best practices can be costly, and noncompliance with such requirements may result in potentially significant monetary penalties, operational delays, and adverse publicity.

The installation of solar energy systems requires our employees to work at heights with complicated and potentially dangerous electrical systems. The evaluation and modification of buildings as part of the installation process requires our employees to work in locations that may contain potentially dangerous levels of asbestos, lead, mold or other materials known or believed to be hazardous to human health. We also maintain a fleet of trucks and other vehicles to support our installers and operations. There is substantial risk of serious injury or death if proper safety procedures are not followed. Our operations are subject to regulation under the U.S. Occupational Safety and Health Act ("OSHA"), the U.S. Department of Transportation ("DOT"), and equivalent state laws. Changes to OSHA or DOT requirements, or stricter interpretation or enforcement of existing laws or regulations, could result in increased costs.

If we fail to comply with applicable OSHA regulations, even if no work-related serious injury or death occurs, we may be subject to civil or criminal enforcement and be required to pay substantial penalties, incur significant capital expenditures or suspend or limit operations. While we have not experienced a high level of injuries to date, high injury rates could expose us to increased liability. In the past, we have had workplace accidents and received citations from OSHA regulators for alleged safety violations, resulting in fines. Any such accidents, citations, violations, injuries or failure to comply with industry best practices may subject us to adverse publicity, damage our reputation and competitive position and adversely affect our business.

Problems with product quality or performance may cause us to incur warranty expenses, damage our market reputation, and prevent us from maintaining or increasing our market share.

If our products fail to perform as expected while under warranty, or if we are unable to support the warranties, sales of our products may be adversely affected, or our costs may increase, and our business, results of operations, and financial condition could be materially and adversely affected.

We may also be subject to warranty or product liability claims against us that are not covered by insurance or are in excess of our available insurance limits. In addition, quality issues can have various other ramifications, including delays in the recognition of revenue, loss of revenue, loss of future sales opportunities, increased costs associated with repairing or replacing products, and a negative impact on our goodwill and reputation. The possibility of future product failures could cause us to incur substantial expenses to repair or replace defective products. Furthermore, widespread product failures may damage our market reputation and reduce our market share causing sales to decline.

Seasonality may cause fluctuations in our financial results.

We often find that some customers tend to book projects by the end of a calendar year to realize the benefits of available subsidy programs prior to year-end. This results in third and fourth quarter sales being more robust usually at the expense of the first quarter. In the future, this seasonality may cause fluctuations in financial results. In addition, other seasonality trends may develop and the existing seasonality that we experience may change. Weather can also be an important factor affecting project timelines.

A failure to comply with laws and regulations relating to our interactions with current or prospective commercial or residential customers could result in negative publicity, claims, investigations, and litigation, and adversely affect our financial performance.

Our business includes contracts and transactions with commercial and residential customers. We must comply with numerous federal, state, and local laws and regulations that govern matters relating to our interactions with residential consumers, including those pertaining to privacy and data security, consumer financial and credit transactions, home improvement contracts, warranties, and door-to-door solicitation. These laws and regulations are dynamic and subject to potentially differing interpretations, and various federal, state and local legislative and regulatory bodies may expand current laws or regulations, or enact new laws and regulations, regarding these matters. Changes in these laws or regulations or their interpretation could dramatically affect how we do business, acquire customers, and manage and use information that we collect from and about current and prospective customers and the costs associated therewith. We strive to comply with all applicable laws and regulations relating to our interactions with residential customers. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Non-compliance with any such law or regulations could also expose us to claims, proceedings, litigation and investigations by private parties and regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations.

We are subject to laws and regulations enacted by national, regional and local governments, including non-U.S. governments. In particular, we are required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business and results of operations.

Risks Related to the Regulation of Our Company

We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Common Stock less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an “emerging growth company” for up to five years, although we will cease to be an “emerging growth company” upon the earliest of (i) the last day of the fiscal year following the fifth anniversary of our initial public offering (“IPO”), (ii) the last day of the first fiscal year in which our annual gross revenues are \$1.07 billion or more, (iii) the date on which we have, during the previous rolling three-year period, issued more than \$1 billion in non-convertible debt securities or (iv) the date on which we are deemed to be a “large accelerated filer” as defined in the Exchange Act. We cannot predict if investors will find shares of our Common Stock less attractive or us less comparable to certain other public companies because we will rely on these exemptions. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock and our Common Stock price may be more volatile.

Pursuant to the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act for so long as we are an “emerging growth company.”

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, and generally requires in the same report a report by our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. However, under the JOBS Act, our independent registered public accounting firm is not required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until we are no longer an “emerging growth company.” We will be an “emerging growth company” until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of our IPO, (b) in which we have total annual gross revenue of at least \$1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Common Stock that is held by non-affiliates exceeds \$700 million as of the last business day of our prior second fiscal quarter, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period.

In addition, Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. An “emerging growth company” can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we have chosen to “opt out” of such extended transition period and, as a result, we must comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

If we are not able to comply with the applicable continued listing requirements or standards of Nasdaq, Nasdaq could delist our Common Stock.

Our Common Stock is currently listed on Nasdaq. In order to maintain such listing, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee requirements, minimum stockholders' equity, minimum share price, and certain corporate governance requirements. There can be no assurances that we will be able to comply with the applicable listing standards. Although we are currently in compliance with such listing standards, we may in the future fall out of compliance with such standards. If we are unable to maintain compliance with these Nasdaq requirements, our Common Stock will be delisted from Nasdaq.

Our Common Stock currently trades on Nasdaq, and, to date, trading of our Common Stock has been limited. If a more active market does not develop, it may be difficult for you to sell the Common Stock you own or result in your sale at a price that is less than the price you paid.

To date, trading of our Common Stock on Nasdaq has been limited and there can be no assurance that there will be a more active market for our Common Stock either now or in the future. If a more active and liquid trading market does not develop or if developed cannot be sustained, you may have difficulty selling any of the shares of Common Stock that you purchased. The market price for our Common Stock may decline below the price you paid, and you may not be able to sell your shares of Common Stock at or above the price you paid, or at all.

Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

On May 16, 2023, the Company received a delisting notice from The Nasdaq Stock Market that it is no longer in compliance with Listing Rule 5550(a)(2), which requires listed securities to maintain a minimum bid price of \$1 per share over a period of 30 consecutive business days. Pursuant to Listing Rule 5810(c)(3)(A), the Company has a period of 180 calendar days following the receipt of the Delisting Notice to regain compliance with the Bid Price Requirement, with the possibility of extension at the discretion of Nasdaq. Pursuant to the request of the Company, Nasdaq extended the cure period to May 13, 2024. The Company can regain compliance with the Bid Price Requirement if at any time during the cure period, the closing bid price of the Company's security is at least \$1 for a minimum of ten consecutive business days. The Delisting Notice does not affect the Company's business operations or its Securities and Exchange Commission reporting requirements.

In the event that our Common Stock is delisted from Nasdaq, U.S. broker-dealers may be discouraged from effecting transactions in shares of our Common Stock because they may be considered penny stocks and thus be subject to the penny stock rules.

The SEC has adopted a number of rules to regulate "penny stock" that restricts transactions involving stock which is deemed to be penny stock. Such rules include Rules 3a51-1, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6, 15g-7, and 15g-9 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These rules may have the effect of reducing the liquidity of penny stocks. "Penny stocks" generally are equity securities with a price of less than \$5.00 per share (other than securities registered on certain national securities exchanges or quoted on NASDAQ if current price and volume information with respect to transactions in such securities is provided by the exchange or system). Our shares of Common Stock have in the past constituted, and may again in the future constitute, "penny stock" within the meaning of the rules. The additional sales practice and disclosure requirements imposed upon U.S. broker-dealers may discourage such broker-dealers from effecting transactions in shares of our Common Stock, which could severely limit the market liquidity of such shares of common stock and impede their sale in the secondary market.

A U.S. broker-dealer selling penny stock to anyone other than an established customer or "accredited investor" (generally, an individual with a net worth in excess of \$1,000,000 or an annual income exceeding \$200,000, or \$300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt. In addition, the "penny stock" regulations require the U.S. broker-dealer to deliver, prior to any transaction involving a "penny stock", a disclosure schedule prepared in accordance with SEC standards relating to the "penny stock" market, unless the broker-dealer or the transaction is otherwise exempt. A U.S. broker-dealer is also required to disclose commissions payable to the U.S. broker-dealer and the registered representative and current quotations for the securities. Finally, a U.S. broker-dealer is required to submit monthly statements disclosing recent price information with respect to the "penny stock" held in a customer's account and information with respect to the limited market in "penny stocks".

Stockholders should be aware that, according to the SEC, the market for "penny stocks" has suffered in recent years from patterns of fraud and abuse. Such patterns include (i) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (ii) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (iii) "boiler room" practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (iv) excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and (v) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, resulting in investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities.

Anti-takeover provisions contained in our Third Amended and Restated Certificate of Incorporation and Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

The Company's Third Amended and Restated Certificate of Incorporation and Bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our Board of Directors. These provisions include:

- A classified Board of Directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our Board of Directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our Board of Directors to elect a director to fill a vacancy created by the expansion of the Board of Directors or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our Board of Directors;
- the ability of our Board of Directors to determine whether to issue shares of our preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the requirement that an Annual Meeting of Stockholders may be called only by the Chairman of the Board of Directors, the Chief Executive officer, or the Board of Directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- limiting the liability of, and providing indemnification to, our directors and officers;
- controlling the procedures for the conduct and scheduling of stockholder meetings;
- providing that directors may be removed prior to the expiration of their terms by stockholders only for cause; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of the Company.

These provisions, alone or together, could delay hostile takeovers and changes in control of the Company or changes in our Board of Directors and management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the General Corporation Law of the State of Delaware (“DGCL”), which prevents some stockholders holding more than 15% of our outstanding Common Stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding Common Stock. Any provision of our Third Amended and Restated Certificate of Incorporation or Bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Common Stock and could also affect the price that some investors are willing to pay for our Common Stock.

Risks Related to Offerings and Ownership of Our Common Stock

The issuance of our Common Stock pursuant to Form S-3 Registration Statements filed in the future may cause dilution and could cause the price of our Common Stock to fall.

A substantial majority of the outstanding shares of our Common Stock and exercisable options are freely tradable without restriction or further registration under the Securities Act of 1933, as amended.

The Company filed an S-3 Registration Statement on December 8, 2023. This Registration Statement has not been declared effective by the SEC. However, if deemed effective by the SEC, the Registration Statement contains a Base Prospectus, which covers the offering, issuance and sale by iSun of up to \$50,000,000 in the aggregate of our shares of Common Stock from time to time in one or more offerings.

Sales of a substantial number of shares of our Common Stock in the public market, future sales of substantial amounts of shares of our Common Stock in the public market, or the perception that these sales could occur, could cause the market price of our Common Stock to decline. Increased sales of our Common Stock in the market for any reason could exert significant downward pressure on our stock price.

The share price of our Common Stock is subject to fluctuation, has been and may continue to be volatile and may decline regardless of our operating performance, resulting in substantial losses for investors who have purchased shares of our Common Stock.

We expect that the market price of our Common Stock may continue to be volatile for the foreseeable future. The market price of our Common Stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including the factors listed below and other factors described in this “Risk Factors” section:

- actual or anticipated fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- ratings changes by any securities analysts who follow our company;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in operating performance and Common stock market valuations of other technology companies generally;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- changes in our Board of Directors or management;
- sales of large blocks of our Common Stock, including sales by our executive officers, directors and significant stockholders;
- potential lawsuits threatened or filed against us;
- short sales, hedging and other derivative transactions involving our Common Stock;
- general economic conditions in the United States and abroad; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many energy companies. Stock prices of many energy companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business, operating results, financial condition and cash flows.

We have no history of paying dividends on our Common Stock, and we do not anticipate paying dividends in the foreseeable future.

We have not previously paid dividends on our Common Stock. We currently anticipate that we will retain all of our available cash, if any, for use as working capital and for other general corporate purposes. Any payment of future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our Board of Directors deems relevant. Investors must rely on sales of their Common Stock after price appreciation, which may never occur, as the only way to realize a return on their investment.

Our Third Amended and Restated Certificate of Incorporation authorizes us to issue shares of blank check preferred stock, and issuances of such preferred stock, or securities convertible into or exercisable for such preferred stock, may result in immediate dilution to existing stockholders.

If we raise additional funds through future issuances of preferred stock or debt securities convertible into preferred stock, our stockholders could suffer significant dilution, and any new preferred stock or debt securities that we issue could have rights, preferences and privileges superior to those of holders of shares of Common Stock. Although we have no present plans to issue any additional shares of preferred stock, in the event that we issue additional shares of our preferred stock, or securities convertible into or exercisable for such preferred stock, the holders of Common Stock will be diluted. We may choose to raise additional capital using such preferred stock or debt securities because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans.

A market for our securities may not continue, which would adversely affect the liquidity and price of our securities.

The price of our securities may fluctuate significantly due to general market and economic conditions. An active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our securities become delisted from Nasdaq for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our Common Stock adversely, the price and trading volume of our Common Stock could decline.

The trading market for our Common Stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. Securities and industry analysts do not currently, and may never, publish research on us. If no securities or industry analysts provide coverage of us, our stock price and trading volume would likely be negatively impacted. If any of the analysts who may cover us change their recommendation regarding our Common Stock adversely, or provide more favorable relative recommendations about our competitors, the price of our Common Stock would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our Common Stock price or trading volume to decline.

Our executive officers, directors and principal stockholders own a significant percentage of our Common Stock and will be able to exert significant control over matters subject to stockholder approval.

As of April 16, 2024 our directors, executive officers and holders of more than 5% of our equity securities, together with their affiliates, beneficially own approximately 11.6% of our outstanding shares of Common Stock. As a result, these stockholders have significant influence to determine the outcome of matters submitted to our stockholders for approval, including the ability to control the election of our directors, amend or prevent amendment of our Third Amended and Restated Certificate of Incorporation or Bylaws or effect or prevent a change in corporate control, merger, consolidation, takeover or other business combination. In addition, any sale of a significant amount of our Common Stock held by our directors, executive officers and principal stockholders, or the possibility of such sales, could adversely affect the market price of our Common Stock. Our management's stock ownership may also discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which in turn could reduce our Common Stock price or prevent our stockholders from realizing any gains from our Common Stock.

Implications of Being an “Emerging Growth Company”

As a public reporting company with less than \$1.07 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise generally applicable to public companies. In particular, as an emerging growth company, we:

- are not required to obtain an attestation and report from our auditors on our management’s assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act (the “Sarbanes-Oxley Act”);
- are not required to provide a detailed narrative disclosure discussing our compensation principles, objectives and elements and analyzing how those elements fit with our principles and objectives (commonly referred to as “compensation discussion and analysis”);
- are not required to obtain a non-binding advisory vote from our stockholders on executive compensation or golden parachute arrangements (commonly referred to as the “say-on-pay,” “say-on-frequency” and “say-on-golden-parachute” votes);
- are exempt from certain executive compensation disclosure provisions requiring a pay-for-performance graph and CEO pay ratio disclosure;
- may present only two years of audited financial statements and only two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) disclosure; and
- are eligible to claim longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act.

We intend to take advantage of all of these reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act. Our election to use the phase-in periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the phase-in periods under §107 of the JOBS Act.

Certain of these reduced reporting requirements and exemptions were already available to us due to the fact that we also qualify as a “smaller reporting company” under the SEC’s rules. For instance, smaller reporting companies are not required to obtain an auditor attestation and report regarding internal control over financial reporting, are not required to provide a compensation discussion and analysis, are not required to provide a pay-for-performance graph or CEO pay ratio disclosure, and may present only two years of audited financial statements and related MD&A disclosure.

Under the JOBS Act, we may take advantage of the above-described reduced reporting requirements and exemptions for up to five years after our initial sale of common equity pursuant to a registration statement declared effective under the Securities Act, or such earlier time that we no longer meet the definition of an emerging growth company. In this regard, the JOBS Act provides that we would cease to be an “emerging growth company” if we have more than \$1.07 billion in annual revenue, have more than \$700 million in market value of our Common Stock held by non-affiliates, or issue more than \$1 billion in principal amount of non-convertible debt over a three-year period. Under current SEC rules, however, we will continue to qualify as a “smaller reporting company” for so long as we have a public float (i.e., the market value of common equity held by non-affiliates) of less than \$700 million and annual revenue of less than \$100 million as of the last business day of our most recently completed second fiscal quarter.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity & Governance

Cybersecurity Risk Management

We, like other companies in our industry, face several cybersecurity risks in connection with our business. Our business strategy, results of operations, and financial condition have not, to date, been affected by risks from cybersecurity threats. During the reporting period, we have not experienced any material cyber incidents, nor have we experienced a series of immaterial incidents, which would require disclosure.

In the ordinary course of our business, we use, store and process a bare minimum of data. To effectively prevent, detect, and respond to cybersecurity threats, we maintain a cyber risk management program, which is comprised of data segregation, penetration testing, and training. The cyber risk management program falls under the responsibility of a third party IT consultant, who has cross-functional expertise in IT management, cybersecurity, and engineering with more than 30 years of experience (the “IT Consultant”), who reports directly to our Chief Financial Officer. Under the guidance of the IT Consultant, we have minimized our data footprint to keep our cyber risk low.

We have implemented a cybersecurity risk management program that is designed to limit and mitigate risks from cybersecurity threats. Our cybersecurity risk management program incorporates several components, including employee training, periodic penetration tests, and multifactor authentications.

Governance

Under the ultimate direction of our CFO, with oversight from the Board, we maintain a security governance structure to evaluate and address cyber risk.

Our Board is responsible for the oversight of cybersecurity risk management. The Board delegates oversight of the cybersecurity risk management program to the Audit Committee. On a quarterly and as-needed basis, the CFO reports to the Audit Committee on our cybersecurity risk management program, including any critical cybersecurity risks, ongoing cybersecurity initiatives and strategies, and applicable regulatory requirements and industry standards. The CFO also provides updates to the Audit Committee of any cybersecurity incidents (suspected or actual) and provides updates on the incidents as well as cybersecurity risk mitigation activities as appropriate.

Item 2. Properties.

We leased and occupy 6,250 square feet of office space and 6,750 square feet of warehouse space at 400 Avenue D, Suite 10, Williston, VT 05495. Solar Communities, Inc. our indirect wholly-owned subsidiary leases and occupies 8,640 square feet of office space and 5,360 square feet of warehouse space in Waterbury, Vermont and 15,000 square feet of warehouse space, 10,000 square feet of shop space and 5,000 square feet of office space in Rhinebeck, New York. The Company also leases approximately 3,000 square feet of office and warehouse space in Salem NH. We believe that these spaces are sufficient to meet our current needs across all business segments.

Item 3. Legal Proceedings

On January 27, 2022, the Company became aware of pending litigation in the U.S. District Court for the District of Vermont, entitled Sassoon Peress and Renewz Sustainable Solutions, Inc. v. iSun, Inc., alleging various claims including breach of contract, defamation, and unjust enrichment arising out of the acquisition of iSun Energy, LLC, the sole owner of which was Mr. Peress. The litigation seeks legal and equitable remedies. The Company was granted an extension of time to plead to Plaintiffs’ Amended Complaint until April 29, 2022. On January 17, 2023, the Company entered into a settlement agreement effectively resolving all claims with no additional consideration paid as a result of settlement.

On February 13, 2024, the Company became aware of pending litigation in the U.S. District Court for the District of Vermont, entitled Duane Peterson, James Moore and Jeffrey Irish, solely in their capacity as Shareholder Representative Group v. iSun Inc., alleging breach of contract/collection. iSun Inc.’s responsive pleading was made on March 15, 2024. iSun, Inc. plans to vigorously contest this litigation. At this stage it is not possible to evaluate the likelihood of an unfavorable outcome or provide an estimate of the range of potential loss.

On January 2, 2024, the Company became aware of pending litigation in the U.S. District Court for the District of North Carolina, entitled Alpha Engineering Services, P.A. d/b/a Alpha Environmental v. iSun Corporate, LLC, alleging breach of contract and a second alternative claim for relief in *Quantum Meruit*. The Company filed a responsive pleading by March 20, 2024. The Company’s responses to the first set of interrogatories and request for production of documents is currently due April 15th. iSun Corporate, LLC. plans to vigorously contest this litigation. At this stage it is not possible to evaluate the likelihood of an unfavorable outcome or provide an estimate of the range of potential loss.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Common Stock is traded on Nasdaq under the symbol "ISUN." The last reported sale price of our Common Stock on April 12, 2024 on Nasdaq was \$0.22 per share

Holders of Common Stock.

On April 8, 2024, we had 461 registered holders of record of our Common Stock.

Dividends and dividend policy.

We have never declared or paid any cash dividend on our Common Stock, nor do we currently intend to pay any cash dividend on our Common Stock in the foreseeable future. We expect to retain our earnings, if any, for the growth and development of our business.

Item 6. Reserved

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under “Risk Factors” and elsewhere in this Annual Report on Form 10-K.

Business Introduction / Overview

Throughout our 50-year history, we have always embraced innovative change. There has never been a more meaningful, or impactful time to be a leader in the innovation that will help fight climate change. We have built a team that is passionate about transitioning American power generation and consumption to clean solar energy, we are passionately focused on our mission to accelerate the adoption of solar energy.

We are one of the largest solar energy services and infrastructure deployment companies in the country and are expanding across the United States. Our services include solar, storage and electric vehicle infrastructure, design, development and professional services, engineering, procurement, installation, O&M and storage. We uniquely target all solar markets including residential, commercial, industrial and utility segments.

Prior to becoming a public company, we were a second-generation family business founded under the name Peck Electric Co. in 1972 as a traditional electrical contractor. Our core values were and still are to align people, purpose, and profitability, and since taking leadership in 1994, Jeffrey Peck, our Chief Executive Officer and Interim Chief Financial Officer, has applied such core values to expand into the solar industry. Today, we are guided by the mission to facilitate the reduction of carbon emissions through the expansion of clean, renewable energy and we believe that leveraging such core values to deploy resources toward profitable business is the only sustainable strategy to achieve these objectives. We have positioned the company to serve all segments of the rapidly evolving energy markets. We are able to originate valuable solar assets through our development and design services team. We are able to leverage our digital sales and marketing capabilities to generate high quality leads for our Residential, Commercial and Industrial divisions. Our experience provides for the high-quality craftsmanship required for installing long-term assets for all customers. Our team approach allows us to collaborate across divisions in order to efficiently utilize our internal labor resources. The diversity of our service offerings allows us to serve our customer needs in the evolving energy environment.

On January 19, 2021, we completed a business combination (the “Merger Agreement”) pursuant to which we acquired iSun Energy LLC (“iSun Energy”). The Business Combination was an acquisition treated as a merger and reorganization and iSun Energy became a wholly owned subsidiary of The Peck Company Holdings, Inc. Immediately prior to the business combination, we changed our name to iSun, Inc. (the “Company”).

On April 6, 2021, iSun Utility, LLC (“iSun Utility”), a Delaware limited liability company and wholly-owned subsidiary of the Company, Adani Solar USA, Inc., a Delaware corporation (Adani”), and Oakwood Construction Services, Inc., a Delaware corporation (“Oakwood”) entered into an Assignment Agreement (the “Assignment”), pursuant to which iSun Utility acquired all rights to the intellectual property of Oakwood and its affiliates (the “Project IP”). Oakwood was a utility-scale solar EPC, Development and Design company and a wholly-owned subsidiary of Adani. The Project IP included all of the intellectual property, project references, templates, client lists, agreements, forms and processes of Adani’s U.S. solar business.

On September 8, 2021, iSun, Inc. entered into an Agreement and Plan of Merger (the “Merger Agreement”) by and among the Company, iSun Residential Merger Sub, Inc., a Vermont corporation (the “Merger Sub”) and wholly-owned subsidiary of iSun Residential, Inc., a Delaware corporation (“iSun Residential”) and wholly-owned subsidiary of the Company, SolarCommunities, Inc., d/b/a SunCommon, a Vermont benefit corporation (“SunCommon”), and Jeffrey Irish, James Moore, and Duane Peterson as a “Shareholder Representative Group” of the holders of SunCommon’s capital stock (the “SunCommon Shareholders”), pursuant to which the Merger Sub merged with and into SunCommon (the “Merger”) with SunCommon as the surviving company in the Merger and SunCommon became a wholly-owned subsidiary of iSun Residential. The Merger was effective on October 1, 2021.

We now conduct all of our business operations exclusively through our direct and indirect wholly-owned subsidiaries, iSun Residential, Inc., SolarCommunities, Inc. iSun Industrial, LLC, Peck Electric Co., Liberty Electric, Inc., iSun Utility, LLC, iSun Energy, LLC and iSun Corporate, LLC.

The world recognizes the need to transition to a reliable, renewable energy grid in the next 50 years. States from Vermont to Hawaii are leading the way in the U.S. with renewable energy goals of 75% by 2032 and 100% by 2045, respectively. California committed to 100% carbon-free energy by 2045. The majority of the other states in the U.S. also have renewable energy goals, regardless of current Federal solar policy. We are a member of Renewable Energy Vermont, an organization that advocates for clean, practical and renewable solar energy. The benefits of the newly enacted Inflation Reduction Act of 2022 (“IRA”) provide stability and certainty of incentives for the next 10 years that create value to our shareholders and provides a long-term commitment for the energy transformation. Our triple bottom line, which is geared towards people, environment, and profit, has always been our guide since we began installing renewable energy and we intend that it remain our guide over the next 50 years as we construct our energy future.

We primarily provide services to solar energy customers for projects ranging in size from several kilowatts for residential loads to multi-megawatt systems for commercial, industrial and utility projects. We have installed over 600 megawatts of solar systems since inception and are focused on profitable growth opportunities. We believe that we are well-positioned for what we believe to be the coming transformation to an all renewable energy economy. We are expanding across the United States to serve the fast-growing demand for clean renewable energy. We are open to partnering with others to accelerate our growth process, and we are expanding our portfolio of company-owned solar arrays to establish recurring revenue streams for many years to come. We have established a leading presence in the market after five decades of successfully serving our customers, and we are now ready for new opportunities and the next five decades of success.

The diverse nature of our service offerings allows us to manage our operations based on the maximization of value for our customers in the evolving energy market. Our core revenue stream is generated from our engineering, procurement and installation services and products consisting of solar, electrical and data installations but has expanded to include project origination, design and development services as well. . Approximately 85% of our revenue is derived from our solar EPC business, approximately 10% of revenue is derived from our electrical and data business and approximately 5% of revenue is derived from our project origination, development and design services. Recently our growth has been derived by increasing our solar customer base starting in 2013, mergers and acquisitions and expansion into new territories. We currently operate in Vermont, Maine, New Hampshire, New York, Massachusetts, Maryland, Alabama, Georgia and North and South Carolina. Our union crews are expert constructors, and union access to an additional workforce makes us ready for rapid expansion to other states while maintaining control of operating costs. The skillset provided by our workforce is transferrable among our service offerings depending on current demand.

We also make investments in solar development projects and currently own approximately three megawatts of operating solar arrays operating under long-term power purchase agreements. Our joint ventures allow for a retained ownership in originated projects. These long-term recurring revenue streams, combined with our in-house development and construction capabilities, make this asset class a strategic long-term investment opportunity for us.

Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such differences may be material to the financial statements. The most significant accounting estimates inherent in the preparation of our financial statements include estimates used to review the Company’s impairment analysis of its intangible assets, impairment on investment, the valuation of the Company’s Series A Preferred Stock using the Monte Carlo simulation and revenue recognition utilizing a cost-to-cost method.

In order to get a full understanding of our financial statements, one must have a clear understanding of the critical accounting estimates employed by the Company. A summary of our critical accounting estimates are as follows:

Revenue Recognition

In general, we provide the sale of solar power systems, Engineering, Procurement and Construction (“EPC”) services, and other construction type contracts over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer. Construction contracts, such as the sale of a solar power system combined with EPC services, are generally accounted for as a single unit of account (a single performance obligation) and are not segmented between types of services. Our contracts often require significant services to integrate complex activities and equipment into a single deliverable, and are therefore generally accounted for as a single performance obligation, even when delivering multiple distinct services. For such services, the Company recognizes revenue using the cost to cost method, based primarily on contract cost incurred to date compared to total estimated contract cost. The cost to cost method (an input method) is the most faithful depiction of the Company’s performance because it directly measures the value of the services transferred to the customer. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined as assessed at the contract level. Pre-contract costs are expensed as incurred unless they are expected to be recovered from the customer.

The nature of the Company’s contracts gives rise to several types of variable consideration, including claims and unpriced change orders; award and incentive fees; and liquidated damages and penalties. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e., the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount.

Remaining performance obligations, or backlog, represents the aggregate amount of the transaction price allocated to the remaining obligations that the Company has not performed under its customer contracts. The Company has elected to use the optional exemption in ASC 606-10-50-14, which exempts an entity from such disclosures if a performance obligation is part of a contract with an original expected duration of one year or less.

Valuation of the Company's Series A Preferred Stock

On December 12, 2023, we issued an aggregate amount of 300,000 of our Series A Convertible Preferred Stock that resulted in a \$3,882 addition to derivative liabilities due to the Company not having enough authorized shares in the event of a full redemption. The Company utilized a Monte Carlo simulation to determine the fair value at the time of issuance. We used two scenarios to calculate the fair value of the Series A Convertible Preferred Stock which included: a) The Preferred Shares are held until Redemption and b) The Preferred Shares are Converted to Common Shares. We determined that 6,694 simulations out of 20,000 simulations had a Common stock price that was equal to or greater than \$0.857. Therefore, there is a 33.47% probability that shareholders will convert to Common shares. Conversely, there is a 66.53% probability that shareholders will hold the Preferred shares until the redemption date. We then applied the present value of holding the Preferred shares until the redemption date and converting the Preferred shares to Common shares to their respective probabilities. This results in a total present value of \$3,882 and a per share value of \$12.94.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023 COMPARED TO THE YEAR ENDED DECEMBER 31, 2022

REVENUE AND COST OF EARNED REVENUE

For the year ended December 31, 2023, our revenue increased 25.2% to a record of high of \$95.7 million compared to \$76.5 million for the year ended December 31, 2022. Cost of earned revenue for the year ended December 31, 2023, was 28.7% higher at \$77.8 million compared to \$60.5 million for the year ended December 31, 2022. Our revenue increased as a result of the deployment of our robust suite of services over a full year. In addition to our historical commercial and industrial customer base, we added the capabilities to serve residential, small commercial and utility customers as well as support the demand for electric vehicle infrastructure across all our customer demographics. For the year ended December 31, 2023, our residential division represented 35% of our revenue mix compared to 52% for the year ended December 31, 2022. For the year ended December 31, 2023, our commercial and industrial division represented 65% of our revenue mix compared to 43% for the year ended December 31, 2022. For the year ended December 31, 2023, our utility, design and development division represented 1% of our revenue mix compared to 5% for the year ended December 31, 2022.

Income before operating expenses was \$17.9 million for the year ended December 31, 2023. This compares to 16.0 million of income before operating expenses for the year ended December 31, 2022. The gross margin was 18.7% in the year ended December 31, 2023 compared to 20.9% in the year ended December 31, 2022. Approximately 84% and 90% of revenues for the years ended December 31, 2023 and 2022 were from solar installations. The residential revenue, on an annualized basis, grew at a higher rate than the commercial and industrial revenue. The margin decrease was driven by a decrease in the residential installation revenue mix which operates at a higher margin than our commercial and industrial division. Since the residential backlog is completed on a more frequent basis than the other divisions, it is anticipated that the higher margin will be maintained on a go-forward basis.

For 2024, we anticipate an approximately 5% increase in revenue over 2023 due to several factors. The demand for solar and electric vehicle infrastructure continues to increase across all customer groups. Our residential division has customer orders of approximately \$13.4 million expected to be completed within four to six months, our commercial division has a contracted backlog of approximately \$26.8 million expected to be completed within six to eight months and our industrial division has a contracted backlog of approximately \$120.0 million expected to be completed within twelve to eighteen months. Historically, we have engaged with existing customers throughout the Northeast. The capabilities of our development and professional services team have allowed us to engage in project development in new geographic regions which will further our expansion opportunities.

SELLING AND MARKETING EXPENSES

We rely on referrals from customers and on our industry reputation, and therefore have not historically incurred significant selling and marketing expenses. Total selling and marketing expenses, included in general and administrative expenses, decreased to \$1.1 million for the year ended December 31, 2023 compared to \$1.2 million for the year ended December 31, 2022. Selling and marketing expenses were incurred by SunCommon. SunCommon is a wholly-owned subsidiary and our residential division brand and will incur marketing expenses as a means to generate sales demand.

GENERAL AND ADMINISTRATIVE EXPENSES

Total general and administrative (“G&A”) expenses were \$21.6 million for the year ended December 31, 2023, compared to \$22.4 million for the year ended December 31, 2022. As a percentage of revenue, G&A expenses decreased 6.7% to 22.6% for the year ended December 31, 2023 compared to 29.3% in the year ended December 31, 2022. The decrease in G&A for the year ended December 31, 2023 was attributable to efficiencies resulting from the second full year of operations of our newly acquired subsidiaries. As we continue to generate efficiencies through shared services and a consolidation of overhead, we expect our G&A expenses to remain consistent through our next revenue scale but decrease as a percentage of revenue.

WAREHOUSE AND OTHER OPERATING EXPENSES

Warehousing and other operating expenses decreased to \$0.8 million for the year ended December 31, 2023, compared to \$1.8 million for the year ended December 31, 2022. The decrease was due to efficiencies generated by two full years of operations of the entities acquired in 2021.

IMPAIRMENT OF GOODWILL

During the year ended December 31, 2022, we experienced a significant decline in our market capitalization, which continued into the first quarter of 2023, and management deemed such decline a triggering event related to goodwill. As a result, we performed an impairment assessment as of December 31, 2022 and determined that impacts of supply chain shortage, the anti-circumvention investigation and labor shortages have depressed market capitalizations across our peer group in the solar industry.

We utilized a weighted combination of the income-based approach and market-based approach to determine the fair value. Key assumptions used in the income-based approach included forecasts of revenue, operating income, cash flows, terminal growth rates and discount rates associated for the risks associated with the operations at the time of the assessment. Key assumptions used in the market-based approach included the selection of recent acquisitions by appropriate peer companies and associated valuation multiples. Our assessment, which was largely based on backlog of \$164.2 million of revenue, yielded a range of valuations that were approximately 15% to 20% above carrying value. Due to the depressed market capitalizations across our peer groups, we believe that the current market capitalization is not an appropriate indicator of our valuation. Our income-based valuation, as well as that of independent analysts, provided results in excess of our carrying value. As we continue our growth towards cash flow positive operations, we believe that our market capitalization will appreciate to reflect our appropriate valuation. Although we believe, but we cannot say with a high degree of certainty that the decline in our market capitalization is temporary, in reconciling our current market capitalization to our carrying value, an impairment in the amount of \$37.2 million was recorded consistent with U.S. GAAP.

IMPAIRMENT OF INVESTMENTS

During the year ended December 31, 2023, management deemed the value of certain investments to be impaired and the Company recorded impairment expense of \$4.0 million. Reasonable attempts by management to obtain updated financial information related to these investments, including financial statements, forecasts and dividend information were unsuccessful.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the year ended December 31, 2023 was \$3.1 million compared to \$7.1 million for the same period of the prior year, due to intangibles relating to backlog being completely amortized in 2022.

OTHER INCOME (EXPENSE)

Interest expense for the year ended December 31, 2023 was \$1.7 million compared to \$1.4 million for the same period of the prior year. For the year ended December 31, 2023, we recognized a loss on extinguishment of debt of \$3.1 million, which was associated with the repayment of the Anson debt. We recognized a gain on the forgiveness of PPP loan of \$2.6 million for the year December 31, 2022. We recognized a loss for the change in fair value of the warrant liability of \$0.2 million for the year ended December 31, 2023 and a gain \$0.1 million for the year ended December 31, 2022.

INCOME (BENEFIT) TAX EXPENSE

The U.S. GAAP effective tax rate for the years ended December 31, 2023 was 0.23% and December 31, 2022 was 4.36%. The proforma effective tax rate for the years ended December 31, 2023 was 21.0% and December 31, 2022 was 21.0%. At December 31, 2023 and 2022, the change in the effective tax rate ("ETR") is driven by the non-taxable income generated from the forgiveness of a loan under the CARES Act Payroll Protection Program ("PPP") of \$0 million and \$2.6 million, respectively.

NET LOSS

The net loss for the year ended December 31, 2023 was \$19.4 million compared to a net loss of \$53.8 million for the year ended December 31, 2022.

Certain Non-GAAP Measures

We periodically review the following key non-GAAP measures to evaluate our business and trends, measure our performance, prepare financial projections, and make strategic decisions.

EBITDA and Adjusted EBITDA

Included in this presentation are discussions and reconciliations of earnings before interest, income tax and depreciation and amortization ("EBITDA") and EBITDA adjusted for certain non-cash, non-recurring or non-core expenses ("Adjusted EBITDA") to net loss in accordance with GAAP. Adjusted EBITDA excludes certain non-cash and other expenses, certain legal services costs, professional and consulting fees and expenses. We believe that these non-GAAP measures illustrate the underlying financial and business trends relating to our results of operations and comparability between current and prior periods. We also use these non-GAAP measures to establish and monitor operational goals.

These non-GAAP measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute or superior to, the other measures of financial performance prepared in accordance with GAAP. Using only the non-GAAP financial measures, particularly Adjusted EBITDA, to analyze our performance would have material limitations because such calculations are based on a subjective determination regarding the nature and classification of events and circumstances that investors may find significant. We compensate for these limitations by presenting both the GAAP and non-GAAP measures of our operating results. Although other companies may report measures entitled "Adjusted EBITDA" or similar in nature, numerous methods may exist for calculating a company's Adjusted EBITDA or similar measures. As a result, the methods that we use to calculate Adjusted EBITDA may differ from the methods used by other companies to calculate their non-GAAP measures.

The reconciliations of EBITDA and Adjusted EBITDA to net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, are shown in the table below:

	Year ended December 31,	
	2023	2022
Net loss	\$ (19,417)	\$ (53,779)
Depreciation and amortization	3,069	7,071
Impairment of goodwill	-	37,150
Impairment of Investment	4,020	-
Interest expense	1,694	1,351
Stock based compensation	1,079	2,981
Change in fair value of warrant liability	238	(138)
Loss on extinguishment of debt	3,076	-
Financing costs	308	-
Other financing costs	863	-
Other expense	500	504
Income tax expense (benefit)	44	(752)
EBITDA	(4,526)	(5,612)
Other costs ⁽¹⁾	350	514
Adjusted EBITDA	\$ (4,176)	\$ (5,098)
Weighted Average shares outstanding	26,703,958	14,089,499
Adjusted EPS	\$ (0.16)	\$ (0.36)

- (1) For the years ended December 31, 2023 and 2022, other costs consisted of one-time expenses incurred related to the settlement of a lawsuit and fees related to a financing that did not go through

LIQUIDITY AND GOING CONCERN

We had \$3.5 million in unrestricted cash at December 31, 2023, as compared to \$5.5 million at December 31, 2022.

As of December 31, 2023, we had a working capital deficiency of \$3.9 million. During the years ended December 31, 2023 and 2022, we incurred net losses of \$19.4 million and \$53.8 million, respectively, and used cash in operations of \$8.9 million and \$6.3 million, respectfully. We have historically incurred operating losses and may continue to incur operating losses for the foreseeable future.

We believe that these conditions raise substantial doubt about our ability to continue as a going concern for at least one year from the date these financial statements are issued. This may hinder our future ability to obtain new financing or may force us to obtain financing on less favorable terms than would otherwise be available. Our plans include continued efforts to raise additional capital through debt and equity financings. There is no assurance that these funds will be sufficient to enable us to achieve profitable operations. If we are unable to obtain such additional financing on a timely basis it may have a material adverse effect on our business, financial condition and results of operations, and ultimately we could be forced to discontinue our operations and liquidate.

Cash flows used in operating activities was \$8.9 million and \$6.3 million for the years ended December 31, 2023 and 2022, respectively. The net cash used in operating activities for the year ended December 31, 2023 was primarily due to cash used to fund a net loss of \$19.4 million, adjusted for net non-cash expenses in the aggregate amount of \$13.2 million, partially offset by \$2.7 million of net cash provided by the changes in the levels of operating assets and liabilities.

Net cash used in investing activities was \$0.8 million for the year ended December 31, 2023, compared to \$1.2 million of net cash used in investing activities in the year ended December 31, 2022. The change was largely attributable to the purchase of equipment in 2023 for \$0.6 million. In addition, there were proceeds from the sale of property and equipment of \$1.3 million during the year ended December 31, 2022.

Net cash provided by financing activities was \$7.8 million for the year ended December 31, 2023 compared to \$8.4 million of cash provided by financing activities for the year ended December 31, 2022. Cash flow provided by financing activities for the year ended December 31, 2023 was primarily driven by proceeds from the sale of common stock of \$7.7 million and proceeds from the issuance of notes payable of \$7.9 million offset by the repayments of long-term debt of \$7.9 million.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

As of December 31, 2023, our fixed interest rate debt of \$13.6 million aggregate principal amount of which accrued interest at a weighted average interest rate of approximately 5.0%. None of this debt subjects us to interest rate risk, but we may be subject to changes in interest rates if and when we refinance this debt at maturity or otherwise.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that are reasonably likely to have a current or future effect on its financial condition, revenues, results of operations, liquidity, or capital expenditures.

Item 8. Financial Statements and Supplementary Data.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
iSun, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of iSun, Inc. (the “Company”) as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in stockholders’ equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 3, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company’s auditor since 2019.

New York, NY
April 16, 2024

iSun, Inc.
Consolidated Balance Sheets
December 31, 2023 and 2022
(In thousands, except number of shares)

	2023	2022
Assets		
Current Assets:		
Cash	\$ 3,463	\$ 5,455
Accounts receivable, net of credit losses of \$163 and \$302 respectively	12,987	8,783
Contract assets,	12,560	7,324
Inventory	1,494	2,536
Other current assets	973	1,625
Total current assets	31,477	25,723
Other assets:		
Property and equipment, net of accumulated depreciation	7,808	8,440
Operating lease right-of-use asset, net	6,318	6,960
Captive insurance investment	629	270
Intangible assets, net	12,439	14,038
Investments	8,000	12,020
Other assets	30	30
Total assets	\$ 66,701	\$ 67,481
Liabilities, Temporary Equity and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 20,532	\$ 12,941
Accrued expenses	5,382	5,868
Operating lease liability	596	588
Contract liabilities	7,024	5,419
Current portion of deferred compensation	-	31
Current portion of long-term debt	1,820	5,374
Total current liabilities	35,354	30,221
Long-term liabilities:		
Warrant liability	248	10
Operating lease liability, net of current portion	6,114	6,711
Other liabilities	21	3,026
Long-term debt, net of current portion	7,962	8,226
Derivative liability	3,882	-
Total liabilities	53,581	48,194
Commitments and Contingencies (Note 10)		
Temporary Equity:		
Series A Preferred stock – 0.0001 par value; \$3,000,000 and \$0 liquidation value; 300,000 and 0 shares authorized, issued and outstanding as of December 31, 2023 and 2022, respectively	-	-
Stockholders' equity:		
Common stock – 0.0001 par value 49,000,000 shares authorized, 47,317,508 and 15,083,109 issued and outstanding as of December 31, 2023 and 2022, respectively	5	2
Additional paid-in capital	87,317	74,070
Accumulated deficit	(74,202)	(54,785)
Total Stockholders' equity	13,120	19,287
Total liabilities, temporary equity and stockholders' equity	\$ 66,701	\$ 67,481

The accompanying notes are an integral part of these consolidated financial statements.

iSun, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2023 and 2022
(In thousands, except number of shares)

	<u>2023</u>	<u>2022</u>
Earned revenue	\$ 95,683	\$ 76,453
Cost of earned revenue	77,767	60,481
Income before operating expenses	<u>17,916</u>	<u>15,972</u>
Warehouse and other operating expenses	824	1,765
General and administrative expenses	21,618	22,411
Stock based compensation - general and administrative	1,079	2,981
Impairment of goodwill	-	37,150
Impairment of investment	4,020	-
Depreciation and amortization	3,069	7,071
Total operating expenses	<u>30,610</u>	<u>71,378</u>
Operating loss	(12,694)	(55,406)
Other income (expense)		
Gain on forgiveness of PPP loan	-	2,592
Change in fair value of warrant liability	(238)	138
Loss on extinguishment of debt	(3,076)	-
Other expense	(500)	(504)
Financing costs	(308)	-
Other financing costs	(863)	-
Interest expense	<u>(1,694)</u>	<u>(1,351)</u>
Loss before income taxes	(19,373)	(54,531)
Income tax expense (benefit)	<u>44</u>	<u>(752)</u>
Net loss	<u>\$ (19,417)</u>	<u>\$ (53,779)</u>
Weighted average shares of common stock outstanding		
Basic and diluted	26,703,958	14,089,499
Basic and diluted	\$ (0.73)	\$ (3.82)

The accompanying notes are an integral part of these consolidated financial statements.

iSun, Inc.
Consolidated Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2023 and 2022
(In thousands, except number of shares)

	Common Stock		Additional Paid-In Capital	(Accumulated Deficit)	Total
	Shares	Amounts			
Balance as of January 1, 2022	11,825,878	\$ 1	\$ 60,863	\$ (1,006)	\$ 59,858
Issuance under equity incentive plan	619,300	-	3,866	-	3,866
Redemption of Put Agreements	(575,966)	-	(5,079)	-	(5,079)
Sale of Common Stock pursuant to S-3 registration statement	3,213,897	1	14,420	-	14,421
Net loss	-	-	-	(53,779)	(53,779)
Balance as of December 31, 2022	15,083,109	\$ 2	\$ 74,070	\$ (54,785)	\$ 19,287
Issuance under equity incentive plan	621,450	-	1,079	-	1,079
Issuance of shares for acquisition of iSun Energy, LLC	200,000	-	-	-	-
Issuance of shares for debt amortization	6,340,411	-	3,825	-	3,825
Proceeds from the sale of Common Stock, net	21,572,538	1	7,713	-	7,714
Issuance of Common Stock in connection with repayment of Anson Loan	3,500,000	2	630	-	632
Net loss	-	-	-	(19,417)	(19,417)
Balance as of, December 31, 2023	47,317,508	\$ 5	\$ 87,317	\$ (74,202)	\$ 13,120

The accompanying notes are an integral part of these consolidated financial statements.

iSun, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(In thousands, except number of shares)

	2023	2022
Cash flows from operating activities		
Net loss	\$ (19,417)	\$ (53,779)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment of goodwill	-	37,150
Impairment of investment	4,020	-
Depreciation of property and equipment	1,471	2,252
Bad debt expense	67	145
Amortization of intangible assets	1,599	4,820
Amortization of right-of-use asset	642	660
Gain on forgiveness of PPP loan	-	(2,592)
Gain on sale of property and equipment	(36)	78
Change in fair value of warrant liability	238	(138)
Stock based compensation	1,079	3,866
Deferred finance charge amortization	1,049	413
Loss on extinguishment of debt	3,076	-
Deferred income taxes	-	(772)
Changes in operating assets and liabilities:		
Accounts receivable	(4,271)	5,409
Other current assets	652	(554)
Contract assets	(5,236)	(3,320)
Inventory	1,042	(56)
Accounts payable	7,591	(247)
Accrued expenses	(486)	(1,760)
Contract liabilities	1,605	3,030
Other assets	-	18
Other liabilities	(3,005)	(349)
Deferred compensation	(31)	(28)
Operating lease liability	(589)	(564)
Net cash used in operating activities	(8,940)	(6,318)
Cash flows from investing activities:		
Purchase of property and equipment	(616)	(512)
Proceeds from sale of property and equipment	169	1,267
Dividend receivable	-	400
Investment in captive insurance	(359)	-
Net cash (used in) provided by investing activities	(806)	1,155
Cash flows from financing activities:		
Proceeds from line of credit	-	20,453
Payments to line of credit	-	(24,921)
Proceeds from long-term debt	7,935	(12,500)
Payments of deferred finance charges	-	(1,654)
Payments of long-term debt	(7,895)	(7,344)
Proceeds from sales of common stock, net	7,714	14,421
Redemption of Put agreements	-	(5,079)
	-	-
Net cash provided by financing activities	7,754	8,376
Net (decrease) increase in cash	(1,992)	3,213
Cash, beginning of year	5,455	2,242
Cash, end of year	\$ 3,463	\$ 5,455
Supplemental disclosure of cash flow information		
Cash paid during the year for:		
Interest	\$ 1,512	\$ 1,351
Income taxes	-	7
Supplemental schedule of non-cash investing and financing activities:		
Accrued employee incentive compensation settled in stock	\$ -	\$ 885
Operating right-of-use lease asset and operating lease liability upon adoption of ASU 2016-02, <i>Leases (Topic 842)</i>	\$ -	\$ 268
Vehicles purchased and financed	\$ 356	\$ 465
Issuance of Series A Preferred Stock in connection with Anson loan repayment	\$ 3,882	\$ -
Issuance of Common Stock in connection with Anson loan	\$ 632	\$ -
Issuance of shares of Common Stock for repayment of debt	\$ 3,825	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

iSUN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

a) Organization

iSun, Inc. is a solar energy company providing design, development, engineering, procurement, installation, storage and electric vehicle infrastructure services for residential, commercial, industrial and utility customers across the United States. The Company also provides electrical contracting services and data and communication services. The work is performed under fixed-price and modified fixed-price contracts and time and materials contracts. The Company is incorporated in the State of Delaware and has its corporate headquarters in Williston, Vermont.

b) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of iSun, Inc. and its direct and indirect wholly owned operating subsidiaries, iSun Residential, Inc., SolarCommunities, Inc., iSun Industrial, LLC, Peck Electric Co., Liberty Electric, Inc., iSun Utility, LLC, iSun Corporate, LLC and iSun Energy, LLC. All material intercompany transactions have been eliminated upon consolidation of these entities.

c) Emerging Growth Company Status

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012, (the “JOBS Act”). Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

The Company would cease to be an “emerging growth company” upon the earliest to occur of: the last day of the fiscal year in which it has more than \$1.07 billion in annual revenue; the date it qualifies as a “large accelerated filer,” with at least \$700 million of equity securities held by non-affiliates; the issuance, in any three-year period, by it of more than \$1.0 billion in non-convertible debt or December of 2024.

d) Revenue Recognition

The majority of the Company’s revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

1) Revenue Recognition Policy

Solar Power Systems Sales and Engineering, Procurement, and Construction Services

The Company recognizes revenue from the sale of solar power systems, Engineering, Procurement and Construction (“EPC”) services, and other construction type contracts over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer. Construction contracts, such as the sale of a solar power system combined with EPC services, are generally accounted for as a single unit of account (a single performance obligation) and are not segmented between types of services. Our contracts often require significant services to integrate complex activities and equipment into a single deliverable, and are therefore generally accounted for as a single performance obligation, even when delivering multiple distinct services. For such services, the Company recognizes revenue using the cost to cost method, based primarily on contract cost incurred to date compared to total estimated contract cost. The cost to cost method (an input method) is the most faithful depiction of the Company’s performance because it directly measures the value of the services transferred to the customer. Cost of revenue includes an allocation of indirect costs including depreciation and amortization. Subcontractor materials, labor and equipment, are included in revenue and cost of revenue when management believes that the Company is acting as a principal rather than as an agent (i.e., the Company integrates the materials, labor and equipment into the deliverables promised to the customer). Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined as assessed at the contract level. Pre-contract costs are expensed as incurred unless they are expected to be recovered from the customer. As of December 31, 2023 and 2022, the Company had \$0 in pre-contract costs classified as a current asset under contract assets on the Consolidated Balance Sheet. Project mobilization costs are generally charged to project costs as incurred when they are an integrated part of the performance obligation being transferred to the client. Customer payments on construction contracts are typically due within 30 to 45 days of billing, depending on the contract. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue.

For sales of solar power systems in which the Company sells a controlling interest in the project to a customer, revenue is recognized for the consideration received when control of the underlying project is transferred to the customer. Revenue may also be recognized for the sale of a solar power system after it has been completed due to the timing of when a sales contract has been entered into with the customer.

Energy Generation

Revenue from net metering credits is recorded as electricity is generated from the solar arrays and billed to customers (PPA off-taker) at the price rate stated in the applicable power purchase agreement (PPA).

Operation and Maintenance and Other Miscellaneous Services

Revenue for time and materials contracts is recognized as the service is provided.

2) Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Company's revenue, all recognized over time, based on the timing of satisfaction of performance obligations for the years ended December 31:

(In thousands)

	<u>2023</u>	<u>2022</u>
Performance obligations satisfied over time		
Solar	\$ 80,615	\$ 68,936
Electric	13,672	6,354
Data and Network	1,396	1,163
Totals	<u>\$ 95,683</u>	<u>\$ 76,453</u>

The following table disaggregates the Company's revenue based operational division for the years ended December 31:

(In thousands)

	<u>2023</u>	<u>2022</u>
Operations		
Residential	\$ 33,039	\$ 39,513
Commercial and Industrial	61,470	32,750
Utility	1,174	4,190
Totals	<u>\$ 95,683</u>	<u>\$ 76,453</u>

3) Variable Consideration

The nature of the Company's contracts gives rise to several types of variable consideration, including claims and unpriced change orders; award and incentive fees; and liquidated damages and penalties. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e., the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount. Factors considered in determining whether revenue associated with claims (including change orders in dispute and unapproved change orders in regard to both scope and price) should be recognized include the following: (a) the contract or other evidence provides a legal basis for the claim, (b) additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, (c) claim-related costs are identifiable and considered reasonable in view of the work performed, and (d) evidence supporting the claim is objective and verifiable. If the requirements for recognizing revenue for claims or unapproved change orders are met, revenue is recorded only when the costs associated with the claims or unapproved change orders have been incurred. Back charges to suppliers or subcontractors are recognized as a reduction of cost when it is determined that recovery of such cost is probable and the amounts can be reliably estimated. Disputed back charges are recognized when the same requirements described above for claims accounting have been satisfied.

4) Remaining Performance Obligation

Remaining performance obligations, or backlog, represents the aggregate amount of the transaction price allocated to the remaining obligations that the Company has not performed under its customer contracts. The Company has elected to use the optional exemption in ASC 606-10-50-14, which exempts an entity from such disclosures if a performance obligation is part of a contract with an original expected duration of one year or less.

5) Warranties

The Company generally provides limited workmanship warranties up to five years for work performed under its construction contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred, and any estimated costs for warranties are included in the individual contract cost estimates for purposes of accounting for long-term contracts.

e) Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents consist of cash on deposit with banks and money market funds. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits. As part of its cash management process, the Company periodically reviews the relative credit standing of these banks. The Company has not experienced any losses in such accounts and periodically evaluates the credit worthiness of the financial institutions and has determined the credit exposure to be negligible. The Company did not have any cash equivalents as of December 31, 2023.

e) Accounts Receivable

Accounts receivable are recorded when invoices are issued and presented on the balance sheet net of the allowance for credit losses. The allowance, which was \$163 at December 31, 2023 and \$302 at December 31, 2022, is estimated based on historical losses, the existing economic condition, and the financial stability of the Company's customers. Accounts are written off against the reserve when they are determined to be uncollectible.

Concentration of accounts receivable consist of the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Customer A	18%	0%
Customer B	13%	0%
Customer C	10%	0%
Customer D	6%	0%
Customer E	3%	5%
Customer F	1%	5%
Customer G	0%	7%
Customer H	4%	15%

f) Contract Assets and Liabilities

Contract assets consist of (i) the earned, but unbilled, portion of a project for which payment is deferred by the customer until certain met; (ii) direct costs, including commissions, labor related costs and permitting fees paid prior to recording revenue, and (iii) unbilled receivables which represent revenue that has been recognized in advance of billing the customer, which is common for larger construction contracts. Contract liabilities consist of deferred revenue, customer deposits and customer advances, which represent consideration received from a customer prior to transferring control of goods or services to the customer under the terms of a contract. Total contract assets and contract liabilities balances as of the respective dates are as follows:

	<u>2023</u>	<u>2022</u>
(In thousands)		
Contract Assets	\$ 12,560	\$ 7,324
Contract Liabilities	7,024	5,419

Contract assets are presented net of credit losses, which were immaterial for the years ended December 31, 2023 and 2022.

Project Assets

Project assets primarily consist of costs related to solar power projects that are in various stages of development that are capitalized prior to the completion of the sale of the project, and are actively marketed and intended to be sold. In contrast to contract assets, the Company holds a controlling interest in the project itself. These project related costs include costs for land, development, and construction of a PV solar power system. Development costs may include legal, consulting, permitting, transmission upgrade, interconnection, and other similar costs. The Company typically classifies project assets as noncurrent due to the nature of solar power projects (long-lived assets) and the time required to complete all activities to develop, construct, and sell projects, which is typically longer than 12 months. Once the Company enters into a definitive sales agreement, such project assets are classified as current until the sale is completed and the Company has met all of the criteria to recognize the sale as revenue. Any income generated by a project while it remains within project assets is accounted for as a reduction to the basis in the project. If a project is completed and begins commercial operation prior to the closing of a sales arrangement, the completed project will remain in project assets until placed in service. All expenditures related to the development and construction of project assets, whether fully or partially owned, are presented as a component of cash flows from operating activities. Project assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A project is considered commercially viable or recoverable if it is anticipated to be sold for a profit once it is either fully developed or fully constructed. A partially developed or partially constructed project is considered to be commercially viable or recoverable if the anticipated selling price is higher than the carrying value of the related project assets. The Company examines a number of factors to determine if the project is expected to be recoverable, including whether there are any changes in environmental, permitting, market pricing, regulatory, or other conditions that may impact the project. Such changes could cause the costs of the project to increase or the selling price of the project to decrease. If a project is not considered recoverable, we impair the respective project assets and adjust the carrying value to the estimated fair value, with the resulting impairment recorded within "Selling, general and administrative" expense.

Project Asset were \$0 for the years ended December 31, 2023 and 2022, respectively.

g) Property and Equipment

Property and equipment greater than \$5 are recorded at cost. Cost includes the price paid to acquire or construct the assets, required installation costs, and any expenditures that substantially add to the value or substantially extend the useful life of the assets.

The solar arrays represent project assets that the Company may temporarily own and operate after being placed into service. The Company reports solar arrays at cost, less accumulated depreciation. The Company begins depreciation on the solar arrays when they are placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings and improvements	39 years
Vehicles	3-5 years
Tools and equipment	3-7 years
Solar arrays	20 years
Software	3-7 years

The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation are eliminated from the accounts and any resulting gain or loss is included in operations. The cost of maintenance and repairs are charged to expense as incurred, while significant renewals or betterments are capitalized.

h) Intangible Assets

Intangible assets primarily consist of trademarks, intellectual property and backlog. They are amortized ratably over a range of 1 to 10 years. The Company assesses the carrying value of its intangible assets for impairment each year. Based on its assessments, the Company has not recorded any impairment charges during the years ended December 31, 2023 and 2022, respectively.

i) Goodwill

The Company accounts for business combinations under the acquisition method of accounting in accordance with ASC 805, "Business Combinations," where the total purchase price is allocated to the tangible and identified intangible assets acquired and liabilities assumed based on their estimated fair values. The purchase price is allocated using the information currently available, and may be adjusted, up to one year from acquisition date, after obtaining more information regarding, among other things, asset valuations, liabilities assumed and revisions to preliminary estimates. The purchase price in excess of the fair value of the tangible and identified intangible assets acquired less liabilities assumed is recognized as goodwill.

The Company tests goodwill for potential impairment at least annually, or more frequently if an event or other circumstance indicates that the Company may not be able to recover the carrying amount of the net assets of the reporting unit. The Company has determined that the reporting unit is the entire company, due to the integration of all of the Company's activities. In evaluating goodwill for impairment, the Company may assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying amount. If the Company bypasses the qualitative assessment, or if the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs a quantitative impairment test by comparing the fair value of a reporting unit with its carrying amount.

The Company calculates the estimated fair value of a reporting unit using a weighting of the income and market approaches. For the income approach, the Company uses internally developed discounted cash flow models that include the following assumptions, among others: projections of revenues, expenses, and related cash flows based on assumed long-term growth rates and demand trends; expected future investments to grow new units; and estimated discount rates. For the market approach, the Company uses internal analyses based primarily on market comparables. The Company bases these assumptions on its historical data and experience, third party appraisals, industry projections, micro and macro general economic condition projections, and its expectations. However, due to the decline in Company's market price, it was determined that it was more likely and not that the Goodwill was fully impaired as of December 31, 2022 and recorded an impairment of \$37.2 million, a nonrecurring fair value measurement.

j) Long-Lived Assets

The Company assesses long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances arise, including consideration of technological obsolescence, that may indicate that the carrying amount of such assets may not be recoverable. These events and changes in circumstances may include a significant decrease in the market price of a long-lived asset; a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition; a significant adverse change in the business climate that could affect the value of a long-lived asset; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset; a current period operating or cash flow loss combined with a history of such losses or a projection of future losses associated with the use of a long-lived asset; or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. For purposes of recognition and measurement of an impairment loss, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

When impairment indicators are present, the Company compares undiscounted future cash flows, including the eventual disposition of the asset group at market value, to the asset group's carrying value to determine if the asset group is recoverable. If the carrying value of the asset group exceeds the undiscounted future cash flows, the Company measures any impairment by comparing the fair value of the asset group to its carrying value. Fair value is generally determined by considering (i) internally developed discounted cash flows for the asset group, (ii) third-party valuations, and/or (iii) information available regarding the current market value for such assets.

If the fair value of an asset group is determined to be less than its carrying value, an impairment in the amount of the difference is recorded in the period that the impairment indicator occurs. Estimating future cash flows requires significant judgment, and such projections may vary from the cash flows eventually realized.

The Company considers a long-lived asset to be abandoned after the Company has ceased use of such asset and it has no intent to use or repurpose the asset in the future. Abandoned long-lived assets are recorded at their salvage value, if any.

k) Asset Retirement Obligations

The Company develops, constructs, and operates certain solar arrays with land lease agreements that include a requirement for the removal of the assets at the end of the term of the agreement. The Company recognizes such asset retirement obligations ("ARO") in the period in which they are incurred based on the present value of estimated third-party recommissioning costs, and it capitalizes the associated asset retirement costs as part of the carrying amount of the related assets. Once an asset is placed into service, the asset retirement cost is subsequently depreciated on a straight-line basis over the estimated useful life of the asset. Changes in AROs resulting from the passage of time are recognized as an increase in the carrying amount of the liability and as accretion expense. The AROs were not deemed material to the financial statements and as a result a liability was not recorded at December 31, 2023 and 2022.

l) Concentration and Credit Risks

The Company occasionally has cash balances in a single financial institution during the year in excess of the Federal Deposit Insurance Corporation (FDIC) limit of up to \$250 per financial institution. The differences between book and bank balances are outstanding checks and deposits in transit. At December 31, 2023 and 2022, the uninsured balances were approximately \$1,895 and \$3,300, respectively.

m) Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The financial statements of the Company account for deferred tax assets and liabilities in accordance with Accounting Standards Codification (“ASC”) 740, Income taxes.

The Company also uses a more-likely-than-not measurement for all tax positions taken or expected to be taken on a tax return in order for those tax positions to be recognized in the financial statements. If the Company were to incur interest and penalties related to income taxes, these would be included in the provision for income taxes. Generally, the three tax years previously filed remain subject to examination by federal and state tax authorities.

n) Preferred Stock

The Company applies the accounting standards for distinguishing liabilities from equity when determining the classification and measurement of its preferred stock. Preferred shares subject to mandatory redemption are classified as liability instruments and are measured at fair value. Conditionally redeemable preferred shares (including preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) are classified as temporary equity. At all other times, preferred shares are classified as stockholders’ equity.

o) Sales Tax

The Company’s accounting policy is to exclude state sales tax collected and remitted from revenues and costs of sales, respectively.

p) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include estimates used to review the Company’s impairment analysis of its intangible assets, impairment on investment, the valuation of the Company’s Series A Preferred Stock using the Monte Carlo simulation and revenue recognition utilizing a cost-to-cost method. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

q) Recently Issued Accounting Pronouncements

The Company is an emerging growth company until at minimum December 31, 2024. The Company will maintain the election available to an emerging growth company to use any extended transition period applicable to non-public companies when complying with a new or revised accounting standard. The Company retains its emerging growth status and therefore elects to adopt new or revised accounting standards on the adoption date required for a private company.

In March 2023, the FASB issued ASU No. 2014-01, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Qualified Affordable Housing Projects*, which amended Subtopic 323-740, Investments—Equity Method and Joint Ventures—Income Taxes, introduced the option to apply the proportional amortization method to account for investments made primarily for the purpose of receiving income tax credits and other income tax benefits when certain requirements are met. This guidance is effective for fiscal years beginning after December 15, 2023 with early adoption permitted. The Company adopted ASU 2014-01 on January 1, 2023. The adoption of ASU 2014-01 did not have a material impact on the Company’s financial position, results of operations or cash flows.

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2016-13 “Financial Instruments - Credit Losses (Topic 326)” and also issued subsequent amendments to the initial guidance under ASU 2018-19, ASU 2019-04 and ASU 2019-05 (collectively Topic 326). Topic 326 requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. This replaces the existing incurred loss model with an expected loss model and requires the use of forward-looking information to calculate credit loss estimates. The Company adopted ASU 2016-13 on January 1, 2023. The adoption of ASU 2016-13 did not have a material impact on the Company’s financial position, results of operations or cash flows.

On November 27, 2023, FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”, which requires public entities to consider relevant qualitative and quantitative factors when determining whether segment expense categories and amounts are significant, and identify segment expenses on the basis of amounts that are regularly provided to the chief operating decision maker (CODM), and included in reported segment profit or loss. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the effect that adopting this new accounting guidance will have on its consolidated financial statements and related disclosures.

On December 14, 2023, the FASB issued ASU 2023-09 which establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information

in the rate reconciliation. The Company is currently evaluating the effect that adopting this new accounting guidance will have on its consolidated financial statements and related disclosures.

r) Deferred Finance Costs

Deferred financing costs relate to the Company's debt and equity instruments. Deferred financing costs relating to debt instruments are amortized over the terms of the related instrument using the effective interest method. The Company incurred \$308 and \$0 of deferred financing costs during the years ended December 31, 2023 and 2022, respectively. Amortization expense associated with deferred financing costs, which is included in interest expense, totaled \$1,049 and \$413 for the years ended December 31, 2023 and 2022, respectively.

s) Fair Value of Financial Instruments

The Company's financial instruments include cash, accounts receivable, cash collateral deposited with insurance carriers, deferred compensation plan liabilities, accounts payable and other current liabilities, and debt obligations.

Fair value is the price that would be received to sell an asset or the amount paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value guidance establishes a valuation hierarchy, which requires maximizing the use of observable inputs when measuring fair value. The three levels of inputs that may be used are: (i) Level 1 - quoted market prices in active markets for identical assets or liabilities; (ii) Level 2 - observable market-based inputs or other observable inputs; and (iii) Level 3 - significant unobservable inputs that cannot be corroborated by observable market data, which are generally determined using valuation models incorporating management estimates of market participant assumptions. In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Management's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

Fair values of financial instruments are estimated using public market prices, quotes from financial institutions and other available information. Due to their short-term maturity, the carrying amounts of cash, accounts receivable, accounts payable and other current liabilities approximate their fair values. Management believes the carrying values of notes and other receivables, cash collateral deposited with insurance carriers, and outstanding balances on its line of credit and long-term debt approximate their fair values as these amounts are estimated using public market prices, quotes from financial institutions and other available information.

t) Debt Extinguishment

Under ASC 470, debt should be derecognized when the debt is extinguished, in accordance with the guidance in ASC 405-20, *Liabilities: Extinguishments of Liabilities*. Under this guidance, debt is extinguished when the debt is paid, or the debtor is legally released from being the primary obligor by the creditor. On January 21, 2022, SunCommon received notification from Citizens Bank N.A. that the Small Business Administration has approved the forgiveness of the PPP loan in its entirety and as such, the full \$2,592 has been recognized in the income statement as a gain upon debt extinguishment for the year ended December 31, 2022. On December 12, 2023, the Company entered into an agreement with Anson Investments Master Fund LP and Anson East Master Fund LP (together, the "Investors") pursuant to which the Company redeemed all amounts due under those certain Senior Secured Convertible Promissory Notes issued to the Investors. The loss on the debt extinguishment of \$3.1 million has been recognized in the statement of operations for the year ended December 31, 2023.

u) Inventory

Inventory is valued at lower of cost or net realizable value determined by the first-in, first-out method. Inventory primarily consists of solar panels and other materials. The Company reviews the cost of inventories against their estimated net realizable value and records write-downs if any inventories have costs in excess of their net realizable values. No inventory allowance exists at December 31, 2023 and December 31, 2022, respectively.

v) Warrant liability

The Company accounts for warrants to acquire shares of Common Stock as liabilities held at fair value on the consolidated balance sheets. The warrants are subject to remeasurement at each balance sheet date and any change in fair value is recognized as a change in fair value of warrant liabilities in the Company's consolidated statements of operations. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrants. At that time, the warrant liability will be reclassified to additional paid-in capital.

w) Segment Information

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker, or decision-making group, in deciding the method to allocate resources and assess performance. The Company currently has two reportable segments with different product offerings for financial reporting purposes, which represents the Company's core business (see note 6).

x) Legal Contingencies

The Company accounts for liabilities resulting from legal proceedings when it is possible to evaluate the likelihood of an unfavorable outcome in order to provide an estimate for the contingent liability. At December 31, 2023 and 2022, there are no material contingent liabilities arising from pending litigation.

y) Sequencing Policy

On December 12, 2023, as a result of entering into a Letter Agreement with Certain Investors (see Note 7) which resulted in the issuance of common stock and Series A Convertible Preferred Stock, the Company adopted a sequencing policy in accordance with ASC 815-40-35-12 whereby all instruments issued subsequent to that date, the Company's Series A Convertible Preferred Stock and warrants will be classified as a derivative liability. If an additional offering occurs in the future, the Company will evaluate instruments issued prior to December 12, 2023 as to whether such instruments would result in a classification modification and determine what the respective accounting treatment would occur at such time.

3. LIQUIDITY AND GOING CONCERN

As of December 31, 2023, the Company had a working capital deficiency of \$3.9 million. During the years ended December 31, 2023 and 2022, the Company incurred net losses of \$19.4 million and \$53.8 million, respectively, and used cash in operations of \$8.9 million and \$6.3 million, respectfully. The Company has historically incurred operating losses and may continue to incur operating losses for the foreseeable future. These conditions raise substantial doubt about our ability to continue as a going concern for at least one year from the date these financial statements are issued. This may hinder the Company's future ability to obtain new financing or may force us to obtain financing on less favorable terms than would otherwise be available. The Company's plans include continued efforts to raise additional capital through debt and equity financings. There is no assurance that these funds will be sufficient to enable the Company to achieve profitable operations. If the Company is unable to obtain such additional financing on a timely basis it may have a material adverse effect on its business, financial condition and results of operations, and ultimately the Company could be forced to discontinue our operations and liquidate.

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of:

	December 31, 2023	December 31, 2022
Accounts receivable - contracts in progress	\$ 13,892	\$ 8,502
Accounts receivable - retainage	(742)	583
	13,150	9,085
Allowance for credit losses	(163)	(302)
Total	\$ 12,987	\$ 8,783

Bad debt expense was \$67 and \$145 for the years ended December 31, 2023 and 2022, respectively.

Contract assets represent revenue recognized in excess of amounts billed, unbilled receivables, and retainage. Unbilled receivables represent an unconditional right to payment subject only to the passage of time, which are reclassified to accounts receivable when they are billed under the terms of the contract. Contract assets were as follows at December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Contract assets	\$ 11,300	\$ 7,231
Unbilled receivables, included in costs in excess of billings	518	(490)
	11,818	6,741
Retainage, included in Accounts Receivable	742	583
	\$ 12,560	\$ 7,324

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date, billings in excess of costs, and retainage. The Company anticipates that substantially all incurred costs associated with contract assets as of December 31, 2023 will be billed and collected within one year. Contract liabilities were as follows at December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Contract Liabilities	\$ 7,024	\$ 5,419
Retainage	-	-
Total	\$ 7,024	\$ 5,419

5. CONTRACTS IN PROGRESS

Information with respect to contracts in progress are as follows:

	December 31, 2023	December 31, 2022
Expenditures to date on uncompleted contracts	\$ 56,642	\$ 31,215
Estimated earnings thereon	2,029	2,509
	58,671	33,724
Less billings to date	(53,654)	(31,912)
	5,017	1,812
Plus under billings remaining on contracts 100% complete	519	93
Total	\$ 5,536	\$ 1,905

Included in accompany balance sheets under the following captions:

	December 31, 2022	December 31, 2021
Contract assets	\$ 12,560	\$ 7,324
Contract liabilities	(7,024)	(5,419)
	\$ 5,536	\$ 1,905

6. PROPERTY AND EQUIPMENT

Information with respect to property and equipment are as follows:

	December 31, 2023	December 31, 2022
Building and improvements	\$ 481	\$ 481
Vehicles	4,196	3,824
Tools and equipment	2,551	2,152
Software	329	310
Solar arrays	6,562	6,708
Less accumulated depreciation	(6,311)	(5,035)
	\$ 7,808	\$ 8,440

Total depreciation expense for the years ended December 31, 2023 and 2022 was \$1,471 and \$2,252, respectively.

7. OPERATING SEGMENTS

Beginning in 2023, in conjunction with the implementation of a new ERP system, the Company assessed its operating segment disclosure based on ASC 280, *Segment Reporting*, guidance. As determined by ASC 280, *Segment Reporting*, the Company determined that it has more than one reportable segment for which financial information is available and regularly evaluated by the chief operating decision maker, or decision-making group, in deciding the method to allocate resources and assess performance. As a result, the following segments were established: Residential, Commercial and Industrial, Utility and Corporate.

Residential

Through its SunCommon operating subsidiary, the Company designs, arranges financing, integrates, installs, and manages systems, primarily for residential homeowners. The Company sells residential solar systems through its direct sales and marketing channel strategy. The Company operates in the New York and Vermont residential markets. It has direct sales and/or operations personnel in New York and Vermont.

Commercial and Industrial

Through our iSun Industrial subsidiary, the Company designs, integrates, installs, and manages systems ranging in size from 50kW (kilowatt) to multi-MW (megawatt) systems primarily for larger commercial and industrial projects. Commercial installations have included installations at office buildings, manufacturing plants, warehouses, service stations, churches, and other consumer facing businesses. Industrial installations have included school districts, local municipalities, federal facilities, higher education institutions as well as green and brown fields. It has operations personnel in New York, New Hampshire, Maine and Vermont.

Through its iSun Utility subsidiary, the Company develops, designs, engineers, arranges financing, installs, and manages systems ranging in size from 500 kW (kilowatt) to multi-MW (megawatt) systems primarily for asset owners, business and municipalities. The Utility segment is originating projects in Vermont, North Carolina, South Carolina, Ohio, California, Georgia, Alabama and Colorado. It has operations personnel in Vermont and Pennsylvania.

Segment net revenue, segment operating expenses and segment contribution (loss) information consisted of the following for years ended December 31, 2023 and 2022.

Year ended December 31, 2023					
	Commercial and Industrial				Total
	Residential	Industrial	Utility	Corporate	
Net revenue	\$ 33,039	\$ 61,470	\$ 1,174	\$ -	\$ 95,683
Cost of earned revenue	23,631	52,667	1,469	-	77,767
Income (loss) before operating expenses	9,408	8,803	(295)	-	17,916
Operating expenses					
Warehousing and other operating expenses	-	824	-	-	824
Impairment of investment	-	-	-	4,020	4,020
General and administrative expenses	10,453	5,180	1,027	4,958	21,618
Segment (loss) gain	(1,045)	2,799	(1,322)	(8,978)	(8,546)
Stock based compensation – general and administrative	-	-	-	1,079	1,079
Depreciation and amortization	1,978	1,091	-	-	3,069
Operating (loss) gain	\$ (3,023)	\$ 1,708	\$ (1,322)	(10,057)	\$ (12,694)
Year ended December 31, 2022					
	Commercial and Industrial				Total
	Residential	Industrial	Utility	Corporate	
Net revenue	\$ 39,513	\$ 32,746	\$ 4,194	\$ -	\$ 76,453
Cost of earned revenue	29,834	28,457	2,190	-	60,481
Income before operating expenses	9,679	4,289	2,004	-	15,972
Operating expenses					
Warehousing and other operating expenses	-	1,765	-	-	1,765
Impairment of goodwill	-	-	-	37,150	37,150
General and administrative expenses	13,471	4,679	1,394	2,867	22,411
Segment contribution (loss)	(3,792)	(2,155)	610	(40,017)	(45,354)
Stock based compensation – general and administrative	-	-	-	2,981	2,981
Depreciation and amortization	6,017	1,054	-	-	7,071
Operating (loss) income	\$ (9,809)	\$ (3,209)	\$ 610	(42,998)	\$ (55,406)

Assets by operating segment are as follows:

	December 31, 2023	December 31, 2022
Residential	\$ 19,631	23,685
Commercial and Industrial	45,201	41,831
Utility	585	990
Corporate	1,284	975
	\$ 66,701	67,481

8. LEASES

The company follows guidance of ASU 842, Accounting for Leases, where the company recognizes a right-of-use asset and lease liability, at present value of future lease payments, for leases that are either classified as an operating or financing lease under the guidance. The Company considers leases of 12 months or less as **short-term** leases and does not record a right-of-use asset or lease liability for such leases. The Company has operating leases for offices, warehouse, vehicles, office equipment and land leases for its solar assets. The Company's leases have remaining lease terms of 1 year to 18 years, some of which include options to extend.

The Company's lease expense for the year ended December 31, 2023 was entirely comprised of operating leases as disclosed below.

	December 31, 2023	December 31, 2022
Lease cost		
Operating lease cost	\$ 921	\$ 1,029
Total lease cost	<u>\$ 921</u>	<u>\$ 1,029</u>
Right of use asset, net	\$ 6,318	\$ 6,960
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ (816)	\$ (834)
Weighted average remaining lease term – operating leases	10.12	10.94
Weighted average discount rate – operating leases	3.33%	3.33%

Estimated minimum future lease obligations are as follows:

Year ending December 31:	Amount
2024	\$ 805
2025	798
2026	795
2027	797
2028	803
Thereafter	4,084
Total lease payments	8,082
Less: interest	(1,372)
	<u>6,710</u>
	596
	<u>\$ 6,114</u>

9. LONG-TERM DEBT

A summary of long-term debt is as follows:

	December 31, 2023	December 31, 2022
NBT Bank, National Association, 4.25% interest rate, secured by certain business assets, payable in monthly installments of \$5,869 through September 2026, with a balloon payment at maturity.	552	598
NBT Bank, National Association, 4.15% interest rate, secured by certain business assets, payable in monthly installments of \$3,677 through April 2026.	98	137
NBT Bank, National Association, 4.20% interest rate, secured by certain business assets, payable in monthly installments of \$5,598 through October 2026, with a balloon payment at maturity.	270	325
NBT Bank, National Association, 4.85% interest rate, secured by a piece of equipment, payable in monthly installments of \$2,932, repaid in May 2023.	-	14
Various vehicle loans, interest ranging from 0% to 10.09%, total current monthly installments of approximately \$34,878 secured by vehicles, with varying terms through 2027.	1,233	1,271
National Bank of Middlebury, 3.95% interest rate for the initial 5 years, after which the loan rate will adjust equal to the Federal Home Loan Bank of Boston 5/10 – year Advance Rate plus 2.75%, loan is subject to a floor rate of 3.95%, secured by solar panels and related equipment, payable in monthly installments of \$2,388 including interest, through December 2024.	-	21
Senior secured convertible notes payable, 5% interest rate, monthly payments of 1/26 th of the original purchase amount plus accrued but unpaid interest beginning March 1, 2023 until maturity date of May 4, 2025. (See <i>letter agreement with certain investors</i> below)		12,500
Revenue loan with 48 month amortization period secured by all assets of the Company, no conversion provisions.	8,000	-
CSA 36: Payable in monthly installments of \$2,414, including interest at 5.5%. The interest rate will become variable at the VEDA Prime Rate from June 2025 through maturity in June 2027.	92	115
CSA 36: Payable in monthly interest only installments of \$1,104 through June 2020; then payments of \$552, representing half of monthly interest only payments, through June 2027 with other half of interest only payments capitalized into principal; then \$2,485 monthly payments of principal and interest, with a balloon payment of \$20,142 due June 2035; interest at 11.25% throughout the loan term.	118	118
Equipment loans	<u>22</u>	<u>56</u>
	10,385	15,155
Less current portion	<u>(1,820)</u>	<u>(5,374)</u>
	8,565	9,781
Less debt issuance costs	<u>(603)</u>	<u>(1,555)</u>

Long-term debt	\$ 7,962	\$ 8,226
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Maturities of long-term debt are as follows:

Year ending December 31:	Amount
2024	\$ 1,821
2025	2,043
2026	2,423
2027	3,898
2028	76
Thereafter	124
	<u>\$ 10,385</u>

Decathlon Specialty Finance Revenue Loan

On December 12, 2023, the Company and its Subsidiaries entered into a Revenue Loan and Security Agreement (the “Loan Agreement”) with Decathlon Specialty Finance, LLC providing for a loan facility for the Company in the maximum amount of \$8.0 million.

The Loan Agreement requires monthly payments in a fixed amount of \$165 for the period from January 1, 2024 through December 31, 2024, and \$225 for the period from January 1, 2025 through December 5, 2027, at which time all remaining principal and accrued interest will come due. The loaned amount will bear interest at a rate necessary to generate “Minimum Interest” as that term is defined in the Loan Agreement, which is between 0.25 times the advanced amount and 0.65 the advanced amount depending on the number of months elapsed following the effective date of the Loan Agreement. The minimum amount of interest to be received over the loan term is \$5.2 million. The amount is determined by the difference between the total payments required of \$13.2 million and the total amount of the advance of \$8.0 million. Using this data long with the payment dates, the Company calculated an imputed interest rate for the loan at approximately 16.25%. In using the imputed interest rate, the Company noted the present value of future payments is not materially different than the cash proceeds received; therefore, the Company will record the proceeds received as the carrying value of the loan. On an at least quarterly basis, the Company will calculate the present value of lease payments to determine the fair value of the outstanding RSLA balance. Additionally, the Company will update the estimated future revenues as more data becomes available. The Company will use the prospective method to adjust the imputed interest rate and recognize interest adjustments prospectively. The advances are secured by all property of the Borrower and is guaranteed by the Company and certain of the Company’s Subsidiaries.

Letter Agreement with Certain Investors

On December 12, 2023, iSun, Inc., a Delaware corporation (the “Company”), entered into a Letter Agreement (the “Letter Agreement”) by and between the Company and each of Anson Investments Master Fund LP and Anson East Master Fund LP (together, the “Investors”) pursuant to which the Company redeemed all amounts due under those certain Senior Secured Convertible Promissory Notes issued to the Investors, dated November 4, 2022 (the “Notes”). Pursuant to the Letter Agreement, the Company made cash payments to the Investors in the aggregate amount of \$6,000 and issued an aggregate amount of 3,500,000 shares of the Company’s Common Stock, par value \$0.0001 per share (“Common Stock”) adding a total of \$632 to stockholders’ equity to the Investors and 300,000 shares of the Company’s Series A Convertible Redeemable Preferred Stock, par value \$0.0001 per share (“Preferred Stock”) to the Investors in a private placement transaction resulting in a \$3,882 addition to derivative liabilities due to the Company not having enough authorized shares in the event of a full redemption. The Company evaluated the impact of ASU 470 and determined that the new debt and the fair value of the preferred stock and common stock issued did exceed the 10% test and therefore should be treated as a loss of debt extinguishment. For the year end December 31, 2023, a loss on debt extinguishment of \$3.1 million was included in the statement of operations.

Cash Advance Funding

In September 2023, the Company agreed to two cash advance funding agreements totaling \$1,500. At December 31, 2023, the amount of \$600 is included in accrued expenses as a current liability.

10. COMMITMENTS AND CONTINGENCIES

On January 27, 2022, the Company became aware of pending litigation in the U.S. District Court for the District of Vermont, entitled Sassoon Peress and Renewz Sustainable Solutions, Inc. v. iSun, Inc., alleging various claims including breach of contract, defamation, and unjust enrichment arising out of the acquisition of iSun Energy, LLC, the sole owner of which was Mr. Peress. The litigation seeks legal and equitable remedies. The Company was granted an extension of time to plead to Plaintiffs' Amended Complaint until April 29, 2022. On January 17, 2023, the Company entered into a settlement agreement effectively resolving all claims with no additional consideration paid as a result of settlement.

On February 13, 2024, the Company became aware of pending litigation in the U.S. District Court for the District of Vermont, entitled Duane Peterson, James more and Jeffrey Irish, solely in their capacity as Shareholder Representative Group v. iSun Inc., alleging breach of contract/collection. iSun Inc.'s responsive pleading was made on March 15, 2024. iSun, Inc. plans to vigorously contest this litigation. At this stage it is not possible to evaluate the likelihood of an unfavorable outcome or provide an estimate of the range of potential loss.

On January 2, 2024, the Company became aware of pending litigation in the U.S. District Court for the District of North Carolina, entitled Alpha Engineering Services, P.A. d/b/a Alpha Environmental v. iSun Corporate, LLC, alleging breach of contract and a second alternative claim for relief in *Quantum Meruit*. The Company filed a responsive pleading by March 20, 2024. The Company's responses to the first set of interrogatories and request for production of documents is currently due April 15th. iSun Corporate, LLC. plans to vigorously contest this litigation. At this stage it is not possible to evaluate the likelihood of an unfavorable outcome or provide an estimate of the range of potential loss.

11. WARRANTS

During the year ended December 31, 2023, 1,000,000 warrants to acquire shares of Common Stock were granted. The warrants were issued on August 30, 2023 resulting from a failure to fulfill the EBITDA financial covenant of the Senior Secured Notes. The warrants were issued to the Investor in order to waive the Event of Default. The Company issued warrants to acquire an aggregate of 1,000,000 shares of Common Stock with an exercise price of \$1.00 per share and a term of 5 years. During the year ended December 31, 2023, no warrants to acquire shares of Common Stock were exercised or redeemed. At December 31, 2023, 1,069,144 private warrants to acquire shares of Common Stock that were outstanding at the time of the Company became a public company remain outstanding.

	December 31, 2023	December 31, 2022
Beginning balance	69,144	69,144
Granted	1,000,000	-
Exercised	-	-
Redeemed	-	-
Ending balance	1,069,144	69,144

12. FAIR VALUE MEASUREMENTS

The Public Warrants were traded under the symbol ISUNW and the fair values were based upon the closing price of the Public Warrants at each measurement date. The Private Warrants were valued using a Black-Scholes model, pursuant to the inputs provided in the table below:

Input	Mark-to-Market Measurement at December 31, 2023	Mark-to-Market Measurement at December 31, 2022
Risk-free rate	3.88%	3.88%
Remaining term in years	0.47-4.66	1.47
Expected volatility	139.50%	147.02%
Exercise price	\$ 1-11.50	\$ 11.50
Fair value of common stock	\$ 0.22	\$ 1.30

The following table sets forth the Company's assets and liabilities which are measured at fair value on a recurring basis by level within the fair value hierarchy:

	Fair Value Measurement as of December 31, 2023			
	Total	Level 1	Level 2	Level 3
Liabilities:				
Series A Convertible Preferred Stock	3,882	-	-	3,882
Private Warrants	248	-	-	248

	Fair Value Measurement as of December 31, 2022			
	Total	Level 1	Level 2	Level 3
Liabilities:				
Private Warrants	10	-	-	10

The following is a roll forward of the Company's Level 3 instruments:

	December 31, 2023	December 31, 2022
Beginning balance	\$ 10	\$ 148
Series A Convertible Preferred Stock	3,882	-
Fair value adjustment – Warrant liability	238	(138)
Ending balance	<u>\$ 4,130</u>	<u>\$ 10</u>

Assets and Liabilities Not Measured at Fair Value on a Recurring Basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, the Company also measures certain assets and liabilities at fair value on a nonrecurring basis. Our non-financial assets, including goodwill, intangible assets, investments, operating lease right of use assets, and property, plant and equipment, are measured at fair value when there is an indication of impairment and the carrying amount exceeds the asset's projected undiscounted cash flows. These assets are recorded at fair value only when an impairment charge is recognized.

As of December 31, 2023 and 2022, the fair values of cash, accounts receivable, contract assets, other current assets, accounts payable, contract liabilities, and accrued expenses approximated their carrying values because of the short-term nature of these instruments.

For the year ended December 31, 2023, the Company determined there were indicators that would cause a 100% impairment of the GSI and SPP investments due to the fair value of the investments remaining at a level below its cost. The Company therefore recorded an impairment expense of \$4.0 million for its investments in GSI and SPP during the year ended December 31, 2023, as reflected in the accompanying consolidated statements of operations.

During the year ended December 31, 2022, the Company calculated the estimated fair value of a reporting unit using a weighting of the income and market approaches. For the income approach, the Company uses internally developed discounted cash flow models that include the following assumptions, among others: projections of revenues, expenses, and related cash flows based on assumed long-term growth rates and demand trends; expected future investments to grow new units; and estimated discount rates. For the market approach, the Company used internal analyses based primarily on market comparables. The Company based these assumptions on its historical data and experience, third party appraisals, industry projections, micro and macro general economic condition projections, and its expectations. However, due to the decline in Company's market price, it was determined that it was more likely and not that the Goodwill was fully impaired as of December 31, 2022 and recorded an impairment of \$37.2 million, a nonrecurring fair value measurement.

13. UNION ASSESSMENTS

The Company employs members of the International Brotherhood of Electrical Workers Local 300 (IBEW). The union fee assessments payable are both withholdings from employees and employer assessments. Union fees are for monthly dues, defined contribution pension, health and welfare funds as part of multi-employer plans. All union assessments are based on the number of hours worked or a percentage of gross wages as stipulated in the agreement with the Union.

The Company has an agreement with the IBEW in respect to rates of pay, hours, benefits, and other employment conditions that expires May 31, 2025. During the years ended December 31, 2023 and 2022, the Company incurred the following union assessments (in thousands):

	December 31, 2023	December 31, 2022
Pension fund	\$ 670	\$ 350
Welfare fund	1,602	1,120
National employees benefit fund	149	100
Joint apprenticeship and training committee	115	43
401(k) matching	208	172
Total	<u>\$ 2,744</u>	<u>\$ 1,785</u>

Multiemployer Plans

The Company is party to collective bargaining agreements with unions representing certain of their employees, which require the Company to pay specified wages, provide certain benefits to their union employees and contribute certain amounts to Multi-Employer Pension Plans (“MEPP”). The Pension Plan Agreement (“PPA”) defines the funding rules for defined benefit pension plans and establishes funding classifications for U.S.-registered multiemployer pension plans. Under the PPA, plans are classified into one of the following five categories, based on multiple factors, also referred to as a plan’s “zone status”: Green (safe), Yellow (endangered), Orange (seriously endangered), and Red (critical or critical and declining). Factors included in the determination of a plan’s zone status include: funded percentage, cash flow position and whether the plan is projecting a minimum funding deficiency.

A multiemployer plan that is so underfunded as to be in “endangered,” “seriously endangered,” “critical,” or “critical and declining” status (as determined under the PPA) is required to adopt a funding improvement plan (“FIP”) or a rehabilitation plan (“RP”), which, among other actions, could include decreased benefits and increased employer contributions, which could take the form of a surcharge on benefit contributions. These actions are intended to improve their funding status over a period of years. If a pension fund is in critical status, a participating employer must pay an automatic surcharge in addition to contributions otherwise required under the collective bargaining agreement (“CBA”). With some exceptions, the surcharge is equal to 5% of required contributions for the initial critical year and 10% for each succeeding plan year in which the plan remains in critical status. The surcharge ceases on the effective date of a CBA (or other agreement) that includes contribution and benefit terms consistent with the rehabilitation plan. Certain plans in which the Company participates are in “endangered,” “seriously endangered,” “critical,” or “critical and declining” status. The amount of additional funds, if any, that the Company may be obligated to contribute to these plans in the future cannot be estimated due to the uncertainty of the future levels of work that could be required of the union employees covered by these plans, as well as the required future contribution rates and possible surcharges applicable to these plans.

Details of significant multiemployer pension plans as of and for the periods indicated, based upon information available to the Company from plan administrators as well as publicly available information on the U.S. Department of Labor website, are provided in the following table:

Multiemployer Pension Plan	Employer Identification Number	Plan Number	Contributions For the Years Ended December 31,		Expiration Date of CBA	Pension Protection Act Zone Status				FIP/RP	
			2023	2022		2023	As of	2022	As of	Status	Surcharge
National Electrical Benefit Fund	53-0181657	1	<u>99,907</u>	<u>91,180</u>	5/31/2023	Green	12/31/2022	Green	12/31/2021	NA	No

14. RELATED PARTY TRANSACTIONS

In January 2022, two former shareholders of SolarCommunities, Inc. lent proceeds to SolarCommunities, Inc to support the subsidiary's working capital. At December 31, 2023, the amount of \$933 is included in accrued expenses as a current liability. The unsecured amount due is not subject to a repayment schedule.

15. INCOME TAXES

The provision for income taxes for the years ended December 31, 2023 and 2022 consists of the following:

	2023	2022
Current		
Federal	\$ -	\$ -
State	44	20
Total Current	44	20
Deferred		
Federal	-	(585)
State	-	(187)
Total Deferred	\$ -	(772)
Provision (Benefit) for Income Taxes	\$ 44	\$ (752)

The Company's total deferred tax assets and liabilities at December 31, 2023 and 2022 are as follows:

	2023	2022
Deferred tax assets (liabilities)		
Accruals and reserves	\$ 804	\$ 219
Tax credits	592	592
Net operating loss	12,252	9,272
Asset Impairments	1,114	-
Stock-based compensation	275	22
Less valuation allowance	(10,222)	(4,771)
Total deferred tax assets	4,815	5,335
Property and equipment	(1,776)	(1,903)
Intangibles	(3,039)	(3,432)
Total deferred tax liabilities	(4,815)	(5,335)
Net deferred tax liability	\$ -	\$ -

The Company uses a more-likely-than-not measurement for all tax positions taken or expected to be taken on a tax return in order for those tax positions to be recognized in the financial statements. There were no uncertain tax positions as of December 31, 2023 and 2022. If the Company were to incur interest and penalties related to income taxes, these would be included in the provision for income taxes, there were none for the years ended December 31, 2023 and 2022 respectively. Generally, the three tax years previously filed remain subject to examination by federal and state tax authorities. The Company does not expect a material change in uncertain tax positions to occur within the next 12 months.

For the years ended December 31, 2023 and 2022, respectively, the reconciliation between the effective tax of (0.23%) and 1.38% on income from operations and the statutory tax rate of 21% and 21% is as follows:

	2023	2022
Income tax expense at federal statutory rate	\$ (4,069)	\$ (11,450)
Paycheck Protection Program tax exempt loan forgiveness	-	(544)
Permanent differences	4	2
Permanent differences for change in fair value of warrants	50	(29)
Goodwill Impairment	-	10,400
Non-deductible intangible assets	-	-
Other adjustments	-	-
State and local taxes net of federal benefit	(1,329)	(3,902)
Valuation allowance	5,388	4,771
Income tax expense (benefit)	\$ 44	\$ (752)

The Company has federal net operating losses of approximately \$44,300 of which \$2,200 will expire beginning in 2035, \$42,100 of the net operating losses do not expire. The Company has state Net operating losses of approximately \$43,600 which will expire beginning in 2029. Federal net operating losses incurred beginning in 2018 are not subject to expiration under the Tax Cuts and Jobs Act, but the annual usage is limited to 80% of pre net operating loss taxable income for years beginning after December 31, 2020. The Company has tax credit carryforwards of approximately \$592 which will expire beginning in 2034. A valuation allowance has been recorded for a portion of the tax credits and net operating losses. Thus, the Company increased the valuation allowance by \$617 and \$4,771 during the years ended December 31, 2023 and 2022, respectively. The deferred tax assets for the net operating losses are presented net with deferred tax liabilities, which primarily consist of book and tax depreciation differences. Utilization of net operating losses and tax credit carryforward may be limited by ownership change rules, as defined in section 382 and 383 of the Internal Revenue Code.

16. CAPTIVE INSURANCE

The Company and other companies are members of an offshore heterogeneous group captive insurance holding company entitled Navigator Casualty, LTD. (NCL). NCL is located in the Cayman Islands and insures claims relating to workers' compensation, general liability, and auto liability coverage.

Premiums are developed through the use of an actuarially determined loss forecast. Premiums paid totalled \$359 and \$235 for the years ended December 31, 2023 and 2022, respectively. The loss funding, derived from the actuarial forecast, is broken-out into two categories by the actuary known as the "A & B" Funds. The "A" Fund pays for the first \$100,000 of any loss and the "B" Fund contributes to the remainder of the loss layer up to \$300,000 total per occurrence.

Each shareholder has equal ownership and invests a one-time cash capitalization of \$36,000. This is broken out into two categories, \$35,900 of redeemable preference shares and \$100 for a single common share. Each shareholder represents a single and equal vote on NCL's Board of Directors.

Summary financial information on NCL as of September 30, 2023 is:

Total assets	\$ 194,375
Total liabilities	\$ 100,145
Comprehensive income	\$ 195

NCL's fiscal year end is September 30, 2023.

	December 31, 2023	December 31, 2022
Investment in NCL		
Capital	\$ 36	\$ 36
Cash security	218	218
Investment income in excess of losses (incurred and reserves)	16	16
Total	\$ 270	\$ 270

17. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share ("EPS") is computed by dividing net income (loss) available to common stockholders by the weighted average number of shares of Common Stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to the potential dilution that could occur if securities or other contracts to issue Common Stock were exercised or converted into Common Stock.

	Years Ended December 31, 2023	2022
Option to purchase Common Stock, from Jensyn's IPO	429,000	429,000
Warrants to purchase Common Stock, from Jensyn's IPO	34,572	34,572
Unvested restricted stock awards	202,305	305,023
Unexercised options to purchase Common Stock	888,084	225,666
Unvested options to purchase Common Stock	-	350,667
Private warrants to purchase common shares from Anson Note	1,000,000	-
Series A Convertible Preferred Stock	300,000	-
Totals	2,853,961	1,344,928

The Company has contingent share arrangements and warrants with the potential issuance of additional shares of Common Stock from these arrangements which were excluded from the diluted EPS calculation because the prevailing market and operating conditions at the present time do not indicate that any additional shares of Common Stock will be issued. These instruments could result in dilution in future periods.

18. RESTRICTED STOCK AND STOCK OPTIONS

Options

As of December 31, 2023, the Company has 605,249 non-qualified stock options outstanding to purchase 605,249 shares of Common Stock, per the terms set forth in the option agreements. The stock options vest at various times and are exercisable for a period of five years from the date of grant at an exercise price of \$2.84 per share, the fair market value of the Company's Common Stock on the date of each grant. The Company determined the fair market value of these options to be \$294 by using the Black Scholes option valuation model. The key assumptions used in the valuation of the options were as follows; a) volatility of 146.38%, b) term of 2 years, c) risk free rate of 4.41% and d) a dividend yield of 0%.

	December 31, 2023	
	Number of Options	Weighted average exercise price
Outstanding, beginning January 1, 2023	576,334	\$ 3.80
Granted	410,000	\$ 1.03
Exercised	-	\$ -
Forfeited	98,250	\$ -
Outstanding, ending December 31, 2023	888,084	\$ 2.94
Exercisable at December 31, 2023	605,249	\$ 2.84

	December 31, 2022	
	Number of Options	Weighted average exercise price
Outstanding, beginning January 1, 2022	201,334	\$ 1.49
Granted	375,000	\$ 5.04
Exercised	-	\$ 1.49
Outstanding, ending December 31, 2022	576,334	\$ 3.80
Exercisable at December 31, 2022	225,666	\$ 3.46

The above table does not include the 429,000 options issued as part of the Jensyn IPO.

Aggregate intrinsic value of options outstanding was \$0 at December 31, 2023 and 2022. Aggregate intrinsic value represents the difference between the Company's closing stock price on the last trading day of the fiscal period which was \$0.31 as of December 31, 2023 and the exercise price multiplied by the number of options outstanding.

During the years ended December 31, 2023 and 2022, the Company charged a total of \$362 and \$1,359, respectively to operations to recognize stock based compensation expense for stock options. As of December 31, 2023, the Company had \$169 in unrecognized stock-based compensation expense related to 207,834 stock option awards, which is expected to be recognized over a weighted average period of less than three years. All options are expected to vest.

Restricted Stock Grant to Executives

With an effective date of January 3, 2023, subject to the iSun, Inc. 2020 Equity Incentive Plan, (the “2020 Plan”), the Company entered into a Restricted Stock Grant Agreement with our Chief Executive Officer and Chief Financial Officer Jeffrey Peck, Former Chief Financial Officer John Sullivan, and Kenneth Merritt in January 2023 (the January 2023 RSGAs). All shares issuable under the January 2023 RSGA are valued as of the grant date at \$1.32 per share representing the fair market value. The January 2023 RSGA provides for the issuance of up to 180,000 shares of the Company’s Common Stock. During 2023, 93,334 of the restricted shares vested, and the remaining unvested shares shall vest as follows, 43,333 of the restricted shares shall vest on December 31, 2024, and the balance, or 43,333 restricted shares, shall vest on December 31, 2025.

With an effective date of January 24, 2022, subject to the iSun, Inc. 2020 Equity Incentive Plan, (the “2020 Plan”), the Company entered into a Restricted Stock Grant Agreement with our Chief Executive Officer and Chief Financial Officer Jeffrey Peck, Former Chief Financial Officer John Sullivan, Executive Vice President Fredrick Myrick, and Chief Strategy Officer Michael dAmato in January 2022 (the January 2022 RSGAs). All shares issuable under the January 2022 RSGA are valued as of the grant date at \$5.04 per share representing the fair market value. The January 2022 RSGA provides for the issuance of up to 187,500 shares of the Company’s Common Stock. The restricted shares shall vest as follows: 62,500 of the restricted shares shall vest immediately, 62,500 of the restricted shares shall vest on the one (1) year anniversary of the effective date, and the balance, or 62,500 restricted shares, shall vest on the two (2) year anniversary of the effective date. The remaining unvested shares and non-forfeited shares of 37,499 shall vest in the year ending December 31, 2024.

With an effective date of April 18, 2022, subject to the iSun, Inc. 2020 Equity Incentive Plan, (the “2020 Plan”), the Company entered into a Restricted Stock Grant Agreement with our Chief Executive Officer and Chief Financial Officer Jeffrey Peck, Former Chief Financial Officer John Sullivan, Executive Vice President Fredrick Myrick, and Chief Strategy Officer Michael dAmato in April 2022 (the April 2022 RSGAs). All shares issuable under the April 2022 RSGA are valued as of the grant date at \$3.63 per share representing the fair market value. The April 2022 RSGA provides for the issuance of up to 337,033 shares of the Company’s Common Stock. The restricted shares shall vest as follows: 112,345 of the restricted shares shall vest on December 31, 2022, 112,345 of the restricted shares shall vest on December 31, 2023, and the balance, or 112,343 restricted shares, shall vest on December 31, 2024. The remaining unvested and non-forfeited shares of 78,120 shall vest in the year ending December 31, 2024.

During the years ended December 31, 2023 and 2022, stock-based compensation expense of \$717 and \$1,359 was recognized for the January 2021 RSGA, January 2022 RSGA and April 2022 RSGA, respectively.

19. SERIES A CONVERTIBLE PREFERRED STOCK

Pursuant to the Letter Agreement dated December 12, 2023, the Company issued 300,000 shares of the Series A Convertible Redeemable Preferred Stock, par value \$0.0001 per share (“Preferred Stock”) to the Investors in a private placement transaction (see note #7). The shares of Preferred Stock are convertible, at a conversion price equal to 90% of the lowest Volume Weighted Average Price during the 10 trading days immediately prior to conversion, into Common Stock, at the option of the holders, provided that the Company will not effect any conversion that would result in the holders owning in excess of 9.99% of the Company’s outstanding Common Stock. The Letter Agreement contains customary representations, warranties and agreements. As of December 31, 2023, there were 300,000 shares authorized, issued and outstanding with a par value of \$0.0001 per share. The shares feature a liquidation preference and had a liquidation value of \$3,000,000 as of December 31, 2023. Dividends in-kind at the rate per annum of 7% of the stated value per share shall accrue on each outstanding share of the Preferred Stock from and after the date of the original issuance of such share of Preferred Stock.

Under ASC 470, a difference between the reacquisition price of debt and the net carrying amount of the extinguished debt shall be recognized currently in income of the period of extinguishment as losses or gains and identified as a separate item. If upon extinguishment of debt the parties also exchange unstated (or stated) rights or privileges, the portion of the consideration exchanged allocable to such unstated (or stated) rights or privileges shall be given appropriate accounting recognition. Moreover, extinguishment transactions between related entities may be in essence capital transaction. The Preferred Stock is classified as a derivative liability due to the Company not having enough authorized shares in the event of a full redemption and has a carrying value of \$3.9 million as of December 31, 2023. The Company utilized a Monte Carlo simulation to determine the fair value at the time of issuance. The Company used two scenarios to calculate the fair value of the Series A Convertible Preferred Stock which included: a) The Preferred Shares are held until Redemption and b) The Preferred Shares are Converted to Common Shares. The Company determined that 6,694 simulations out of 20,000 simulations had a Common stock price that was equal to or greater than \$0.857. Therefore, there is a 33.47% probability that shareholders will convert to Common shares. Conversely, there is a 66.53% probability that shareholders will hold the Preferred shares until the redemption date. The Company then applied the present value of holding the Preferred shares until the redemption date and converting the Preferred shares to Common shares to their respective probabilities. This results in a total present value of \$3,882 and a per share value of \$12.94.

20. SALES OF COMMON STOCK PURSUANT TO S-3 REGISTRATION STATEMENT

The Company issued 21,572,538 shares and 3,213,897 shares of common stock during the years ended 2023 and 2022, resulting in increases of \$7,714 and \$14,421 to stockholders’ equity, respectively.

21. INVESTMENTS

Investments consist of:

	December 31, 2022	December 31, 2022
GreenSeed Investors, LLC	\$ -	\$ 3,924
Investment in Solar Project Partners, LLC	-	96
Investment in Gemini Electric Mobility Co.	2,000	2,000
Investment in NAD Grid Corp. d/b/a AmpUp	1,000	1,000
Investment in Encore Renewables	5,000	5,000
Total	\$ 8,000	\$ 12,020

GreenSeed Investors, LLC (“GSI”) and Solar Project Partners, LLC (“SPP”)

For the year ended December 31, 2023, the Company determined there were indicators that would cause a 100% impairment of the GSI and SPP investments due to the fair value of the investments remaining at a level below its cost. The Company therefore recorded an impairment expense of \$4.0 million for its investments in GSI and SPP during the year ended December 31, 2023, as reflected in the accompanying consolidated statements of operations.

The GSI and SPP investments are measured at cost, less impairment, if any, plus or minus changes resulting from observable price changes in ordinary transactions for the identical or similar investment of the same issuer. As the Company does not have significant influence over operating or financial policies of GSI and SPP, the cost method of accounting for the investment was determined to be appropriate. Changes in the fair value of the investment are recorded as net appreciation in fair value of investment in the Consolidated Statements of Operations. No net appreciation or depreciation in fair value of the investments was recorded during the year ended December 31, 2023, as there were no observable price changes.

22. INTANGIBLES

The Company’s intangible assets at December 31, 2023 consist of:

	Amortization periods	December 31, 2023	December 31, 2022
iSun Trademark and Brand	10 Years	\$ 3,007	\$ 3,007
Intellectual property	10 Years	1,000	1,000
Backlog of projects	12 Months	3,220	3,220
SunCommon Trademark and Brand	10 Years	11,980	11,980
Accumulated amortization		(6,768)	(5,169)
		<u>\$ 12,439</u>	<u>\$ 14,038</u>

At December 31, 2023 and 2022, amortization expense was \$1,599 and \$4,820, respectively.

Estimated future amortization expense for the Company's intangible assets as of December 31, 2023 is as follows:

	Cost
2024	\$ 1,599
2025	1,599
2026	1,599
2027	1,599
2028	1,599
Thereafter	4,444
Total	\$ 12,439

The estimated weighted average remaining period of amortization is 9 years.

23. REVISIONS OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During the year ended December 31, 2022, the company recognized an impairment loss related to goodwill for the year ended December 31, 2022. The tax provision included this impairment loss as a deduction for tax purposes and part of the deferred tax asset for "Net operating loss", and a separate valuation allowance in the same amount. The total included as a deferred tax asset and valuation allowance was \$10,400 and (\$10,400) respectively. The Net Deferred tax asset balance as of December 31, 2022 as a result of these changes remains at \$5,335 with no change to the net deferred tax asset balance.

In accordance with Staff Accounting Bulletin ("SAB") 99, *Materiality*, and SAB 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, the Company evaluated the materiality of the error from qualitative and quantitative perspectives, and concluded that the error was immaterial to any prior annual or interim financial statements. Notwithstanding this conclusion, management has revised the accompanying financial statements and related notes included herein to correct this error for all periods presented.

The following table presents the effect of correcting this error on the Company's previously issued footnotes related the deferred tax assets and liabilities at December 31, 2022. There were no changes to the statements of stockholders' equity, balance sheets or statements of operations.

	As of December 31, 2022		
	As previously reported	Adjustment	As revised
Deferred tax assets (liabilities)			
Net operating loss	19,673	(10,400)	9,273
Less Valuation Allowance	(15,171)	10,400	(4,771)
Total Deferred tax assets	5,335	0	5,335

24. SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Other than as described below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

Cash Advance Funding

In September 2023, the Company agreed to two cash advance funding agreements totaling \$1,500. At December 31, 2023, the amount of \$600 is included in accrued expenses as a current liability. On January 4th 2024, the Company refinanced these two cash advance funding agreements, bringing the outstanding balance to \$2.4 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, including our principal executive officer and principal financial and accounting officer, did not carry out an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2023, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Management has determined there is a lack of supervisory review of the financial statement closing process due to limited resources and formal documentation of procedures and controls and a lack of segregation of duties and access with the IT environment. These control deficiencies constitute material weaknesses in internal control over financial reporting. As a result, our principal executive officer and principal financial and accounting officer have concluded that during the period covered by this report, our disclosure controls and procedures were not effective. We plan to take steps to remedy this material weakness in with the implementation of an “Internal Control-Integrated Framework”

Disclosure controls and procedures are designed to ensure that the information that is required to be disclosed by us in our Exchange Act report is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls and procedures or our internal controls will prevent all errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control-Integrated Framework (2013).

Management previously identified control deficiencies regarding the need for a stronger internal control environment relating to the financial statement closing process, formal documentation and designed disclosure controls and procedures and testing of the operating effectiveness of the controls. In 2023 Management took additional steps to remediate these control deficiencies as part of the expansion of the internal control environment. Management implemented a new Enterprise Resource Planning (“ERP”) system which provides the necessary control environment to mitigate the potential for misstatements in the financial reporting. In addition, specific procedures were implemented to enhance overall controls, dual authorization of payments, purchase order approval process and authorization matrix, segregation of duties related to financial reporting and user permissions and controls within the ERP. Management continues to enhance the internal control environment but has not completed the implementation and testing of the new and revised internal controls. Management believes that these control deficiencies constitute material weaknesses in internal control over financial reporting for the year ended December 31, 2023.

Based upon the criteria established in “Internal Control-Integrated Framework” issued by the COSO, management believes that the controls currently in place are not adequate. As such, material weaknesses existed as of December 31, 2023.

Changes in Internal Control Over Financial Reporting

Other than the control improvements discussed in Management’s Report on Internal Control Over Financial Reporting above, there was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

No Attestation Report by Independent Registered Accountant

The effectiveness of our internal control over financial reporting as of December 31, 2023 has not been audited by our independent registered public accounting firm by virtue of our exemption from such requirement as a non-accelerated smaller reporting company.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required for item is incorporated by reference from our Proxy Statement to be filed in connection with our 2024 Annual Meeting of Shareholders.

Item 11. Executive Compensation

The information required for this item is incorporated by reference from our Proxy Statement to be filed in connection with our 2024 Annual Meeting of Shareholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required for this item is incorporated by reference from our Proxy Statement to be filed in connection with our 2024 Annual Meeting of Shareholders.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required for this item is incorporated by reference from our Proxy Statement to be filed in connection with our 2024 Annual Meeting of Shareholders.

Item 14. Principal Accounting Fees and Services

The information required for this item is incorporated by reference from our Proxy Statement to be filed in connection with our 2023 Annual Meeting of Shareholders.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(1) Financial Statements.

The financial statements required by Item 15 are submitted in a separate section of this report, beginning on Page F-1, incorporated herein and made a part hereof.

(2) Financial Statement Schedules.

Schedules have been omitted because of the absence of conditions under which they are required or because the required information is included in the financial statements or notes thereto.

(3) Exhibits.

The following exhibits are filed with this report, or incorporated by reference as noted:

(a)

101.INS Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)

101.SCH Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase

101.LAB Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

*

Filed herewith.

(b)

Exhibits.

See (a)(3) above.

(c) Financial Statement Schedules.

See (a)(2) above.

See (a)(2) above.

Exhibits Index

Exhibit No.	Description	Included	Form	Filing Date
1.1	Underwriting Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Chardan Capital Markets, LLC, as representative of the underwriters named on Schedule A thereto.	By Reference	8-K	March 10, 2016
1.2	Sales Agreement, dated December 4, 2020, between The Peck Company Holdings, Inc. and A.G.P./Alliance Global Partners	By Reference	S-3	December 4, 2020
3.1	Certificate of Designation, Preferences and Rights of Preferred Stock of The Peck Company Holdings, Inc.	By Reference	8-K	April 28, 2020
3.2	Third Amended & Restated Certificate of Incorporation of iSun, Inc.	By Reference	8-K	February 2, 2022
3.3	First Amended and Restated Certificate of Designation, Preferences and Rights of Preferred Stock of iSun, Inc.	By Reference	8-K	February 26, 2021
3.4	Certificate of Cancellation of Series A Convertible Preferred Stock of iSun, Inc.	By Reference	8-K	December 30, 2021
3.5	Bylaws.	By Reference	S-1	November 23, 2015
3.6	Certificate of Designation of Series A Convertible Redeemable Preferred Stock	By Reference	8-K	December 13, 2023
4.1	Specimen Common Stock Certificate.	By Reference	S-1	November 23, 2015
4.2	Promissory Note, dated September 17, 2019, issued to NBT Bank, National Association	By Reference	10-Q	November 18, 2019
4.3	Warrant Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Continental Stock Transfer & Trust Company.	By Reference	8-K	March 10, 2016
4.4	Warrant, dated April 22, 2020, issued by The Peck Company Holdings, Inc. to GreenSeed Investors, LLC	By Reference	8-K	April 28, 2020
4.5	Promissory Note, dated January 13, 2020, issued by Peck Electric Co. to NBT Bank, National Association	By Reference	8-K	April 28, 2020
4.6	Paycheck Protection Program Note and Disbursement Authorization, dated April 24, 2020 issued by Peck Electric Co. to NBT Bank, National Association	By Reference	8-K	April 28, 2020

4.7	<u>Amendment No. 1 to Warrant Agreement, dated March 9, 2021</u>	By Reference	8-K	March 9, 2021
4.8	<u>Notice of Redemption, dated March 9, 2021</u>	By Reference	8-K	March 9, 2021
4.9	<u>Form of Securities Purchase Agreement, dated January 8, 2021 between The Peck Company Holdings, Inc. and certain investors</u>	By Reference	8-K	January 12, 2021
4.10	<u>Senior Secured Convertible Notes, issued by iSun, Inc. dated November 4, 2022</u>	By Reference	8-K	November 8, 2022
4.11	<u>Warrant to Purchase Common Stock, dated August 30, 2023, by and between iSun, Inc. and Anson Investments Master Fund LP.</u>	By Reference	8-K	September 1, 2023
4.12	<u>Warrant to Purchase Common Stock, dated August 30, 2023, by and between iSun, Inc. and Anson East Master Fund LP.</u>	By Reference	8-K	September 1, 2023
10.1	<u>Voting Agreement, dated June 20, 2019, between Peck Company Holdings Inc. and Jeffrey Peck</u>	By Reference	10-K	April 14, 2020
10.2	<u>Lease Agreement, dated December 7, 2020, between Peck Electric Co. and Unsworth Properties, LLC as agent for Meach, LLC, 306 West Indian, LLC, Cooper Two, LLC, Trek Communities, LLC, Masthead, LLC and Stephen and Shona Unsworth</u>	By Reference	8-K	December 10, 2020
10.3	<u>2020 Equity Incentive Plan</u>	By Reference	S-8	October 28, 2020
10.4	<u>Placement Agent Agreement, dated January 8, 2021, between The Peck Company Holdings, Inc. and A.G.P./Alliance Global Partners</u>	By Reference	8-K	January 12, 2021
10.5	<u>Irrevocable Proxy between The Peck Company Holdings, Inc. and Sassoon M. Peress, dated January 19, 2021</u>	By Reference	8-K	January 25, 2021
10.6	<u>Assignment Agreement by and among Adani Solar USA, Inc., Oakwood Construction Services, Inc. and iSun Utility, LLC, dated April 6, 2021</u>	By Reference	8-K	April 8, 2021
10.7	<u>Sales Agreement, dated June 21, 2021, between iSun, Inc. and B. Riley Securities, Inc.</u>	By Reference	8-K	June 22, 2021
10.8	<u>Form of Put Agreement between iSun, Inc. and certain SunCommon Shareholders</u>	By Reference	8-K	September 13, 2021
10.9	<u>Form of Employment Agreement between iSun, Inc. and each of Jeffrey Irish, James Moore, and Duane Peterson</u>	By Reference	8-K	September 13, 2021
10.10	<u>First Amended and Restated Letter Agreement, by and among iSun, Inc., iSun Residential, Inc., iSun Residential Merger Sub, Inc., SolarCommunities, Inc. d/b/a SunCommon, Duane Peterson, James Moore, and Jeffrey Irish, dated September 30, 2021</u>	By Reference	8-K	October 5, 2021

10.11	<u>Employment Agreement between iSun, Inc. and Frederick Myrick, dated July 1, 2021</u>	By Reference	10-Q	November 15, 2021
10.12	<u>Change of Control Agreement between iSun, Inc. and Frederick Myrick, dated July 1, 2021</u>	By Reference	10-Q	November 15, 2021
10.13	<u>Employment Agreement between iSun, Inc. and Jeffrey Peck, dated July 1, 2021</u>	By Reference	10-Q	November 15, 2021
10.14	<u>Change of Control Agreement between iSun, Inc. and Jeffrey Peck, dated July 1, 2021</u>	By Reference	10-Q	November 15, 2021
10.15	<u>Employment Agreement between iSun, Inc. and John Sullivan, dated July 1, 2021</u>	By Reference	10-Q	November 15, 2021
10.16	<u>Change of Control Agreement between iSun, Inc. and John Sullivan, dated July 1, 2021</u>	By Reference	10-Q	November 15, 2021
10.17	<u>Employment Agreement between John Stark Electric, Inc. and John P. Comeau, dated as of October 31, 2021</u>	By Reference	8-K	November 19, 2021
10.18	<u>Irrevocable Proxy between iSun, Inc. and John P. Comeau, dated as of October 31, 2021</u>	By Reference	8-K	November 19, 2021
10.19	<u>Membership Unit Purchase Agreement between iSun, Inc. and Encore Redevelopment, LLC, dated November 24, 2021</u>	By Reference	8-K	December 1, 2021
10.20	<u>Sixth Amended and Restated Operating Agreement of Encore Redevelopment, Inc., dated November 24, 2021</u>	By Reference	8-K	December 1, 2021
10.21	<u>Industrial Building Lease by and Between Industry Landing 115 LLC and SolarCommunities, Inc., dated August 1, 2021</u>	By Reference	10-K	April 15, 2022
10.22	<u>Lease Agreement between Malone Route 2 Waterbury Properties, LLC and SolarCommunities, Inc., dated October 19, 2015</u>	By Reference	10-K	April 15, 2022
10.23	<u>Addendum #1 to Lease Agreement between Malone Route 2 Waterbury Properties, LLC and SolarCommunities, Inc., dated July 19, 2016</u>	By Reference	10-K	April 15, 2022
10.24	<u>Addendum #2 to Lease Agreement between Malone Route 2 Waterbury Properties, LLC and SolarCommunities, Inc., dated March 2, 2019</u>	By Reference	10-K	April 15, 2022
10.25	<u>Securities Purchase Agreement between iSun, Inc. and certain Purchasers, dated November 4, 2022</u>	By Reference	8-K	November 8, 2022
10.26	<u>Security Agreement between iSun, Inc. and certain Purchasers, dated November 4, 2022</u>	By Reference	8-K	November 8, 2022
10.27	<u>Trademark Security Agreement between iSun, Inc. and certain Purchasers, dated November 4, 2022</u>	By Reference	8-K	November 8, 2022
10.28	<u>Subsidiary Guaranty by and among iSun, Inc. and its direct and indirect subsidiaries, dated November 4, 2022</u>	By Reference	8-K	November 8, 2022

10.29	Registration Rights Agreement between iSun, Inc. and certain Purchasers, dated November 4, 2022	By Reference	8-K	November 8, 2022
10.30	Voting Agreement by and among iSun, Inc. and certain other parties, dated November 4, 2022	By Reference	8-K	November 8, 2022
10.31	First Amendment to Agreement and Plan of Merger and Reorganization by and among iSun, Inc., iSun Energy LLC, and Sassoon M. Peress, dated November 28, 2022	By Reference	10-K	April 17, 2023
10.32	Letter Agreement, dated August 30, 2023, by and between iSun, Inc., Anson Investments Master Fund LP, and Anson East Master Fund LP.	By Reference	8-K	September 1, 2023
10.33	Letter Agreement, dated August 30, 2023, by and between iSun, Inc., Anson Investments Master Fund LP, and Anson East Master Fund LP.	By Reference	8-K	September 1, 2023
10.34	Revenue Loan and Security Agreement with Decathlon Specialty Finance, LLC, dated December 12, 2023	By Reference	8-K	December 13, 2023
10.35	Letter Agreement, dated December 12, 2023, by and between iSun, Inc., Anson Investments Master Fund LP, and Anson East Master Fund LP.	By Reference	8-K	December 13, 2023
10.36	Lock-Up Agreement, dated December 12, 2023, by and between iSun, Inc., Anson Investments Master Fund LP, and Anson East Master Fund LP.	By Reference	8-K	December 13, 2023
10.37	Loan Agreement, dated April 4, 2023, between iSun, Inc. and Lendspark Corporation	Herewith		
10.38	Standard Merchant Cash Advance Agreement, dated January 4, 2024, between iSun Industrial, LLC and Cedar Advance LLC	Herewith		
10.39	Standard Merchant Cash Advance Agreement, dated January 4, 2024, between iSun Industrial, LLC and Pawn Funding	Herewith		
14	Form of Code of Ethics.	By Reference	S-1	November 23, 2015
21	List of subsidiaries of iSun, Inc.	Herewith		
23.1	Independent Registered Public Accounting Firm's Consent	Herewith		
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Herewith		
31.2	Certification of Principal Financial and Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Herewith		
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Herewith		
97.1	iSun, Inc. Clawback Policy	Herewith		
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).			

Item 16. Form 10-K Summary.

Not applicable

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

iSUN, INC.

By: /s/ Jeffrey Peck
Jeffrey Peck
Chief Executive Officer and Interim Chief Financial Officer
(Principal Executive Officer)

Dated: April 16, 2024

POWER OF ATTORNEY

The undersigned directors and officers of iSun, Inc., hereby constitute and appoint Jeffrey Peck, with full power to act without the other and with full power of substitution and resubstitution, our true and lawful attorneys-in-fact with full power to execute in our name and on behalf in the capacities indicated below, this annual report on Form 10-K and any and all amendments thereto and to file the same, with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, and hereby ratify and confirm all that such attorneys-in-fact, or any of them, or their substitutes shall lawfully do or cause to be done by virtue hereof.

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in such capacities and on the dates indicated.

By: /s/ Jeffrey Peck

Chief Executive Officer and Interim Chief Financial Officer
(Principal Executive Officer)

By: /s/ Fredrick Myrick

Fredrick Myrick
Executive Vice President and Director

By: /s/ Stewart Martin

Stewart Martin
Director

By: /s/ Andrew Matthy

Andrew Matthy
Director

By: /s/ Claudia Meer

Claudia Meer
Director

Dated: April 16, 2024



**AGREEMENT FOR THE PURCHASE AND SALE
OF FUTURE RECEIPTS ("AGREEMENT")
AGREEMENT NO.: 3184**

Requirements:

- Sign and initial after every "X" on this contract
- Fill in the correct account information on the addendum page

Merchant Information: ***Please Fill In***

Business Name:	ISUN, INC.	
Email:	jeff@isunenergy.com	
Business Phone:	802-658-3378	
Cell Phone:	802-355-3850	802-598-7022
Business Website:	www.isunenergy.com	



AGREEMENT FOR THE PURCHASE AND SALE OF FUTURE RECEIPTS

Seller's Legal Name: ISUN, INC., et al.

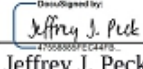
Type of Business Entity:	Corporation	Time in business:	33.9 Years	Fed. Tax ID #:	47-2150172
Business Address:	400 Avenue D Suite 10	City:	Williston	State:	VT Zip: 05495
Mailing Address:	400 Avenue D Suite 10	City:	Williston	State:	VT Zip: 05495
Primary Contact Name & Title:	Jeffrey J. Peck, CEO				
Purchase Price:	\$1,500,000.00	Purchased Amount:	\$2,010,000.00	Average Monthly Sales:	
Specified Percentage:	20%	Origination Fee:	\$30,000.00	(To be deducted from the Purchase Price)	
Initial Daily Amount:	See Addendum	(Avg. Monthly Sales x Specified Percentage / Avg. Business Days in a Calendar Month)			
Account for the Deposit of All Future Receipts:	iSun Corporate LLC				
Bank:	NBT BANK NA	Account No.:	7100892043		


Effective, 04/03/2023, Seller, identified above, hereby sells, assigns and transfers to LENDSPARK CORPORATION, located at 2554 GATEWAY ROAD, CARLSBAD, CA 92009 ("Buyer"), without recourse, the Specified Percentage of the proceeds of each future sale made by Seller (collectively "Future Receipts") until Buyer has received the Purchased Amount. "Future Receipts" includes all payments made by cash, check, ACH or other electronic transfer, credit card, debit card, bank card, charge card (each such card shall be referred to herein as a "Payment Card") or other form of monetary payment in the ordinary course of Seller's business. As payment for the Purchased Amount, Buyer will deliver to Seller the Purchase Price, shown above, minus any Origination Fee shown above. Seller acknowledges that it has no right to repurchase the Purchased Amount from Buyer.

Both parties agree that the obligation of Buyer under this Agreement will not be effective unless and until Buyer has completed its review of the Seller and has accepted this Agreement by delivering the Purchase Price, minus any Origination Fee. Prior to accepting this Agreement, Buyer may conduct a processing trial to confirm its access to the Account and the ability to withdraw the Initial Daily Amount. If the processing trial is not completed to the satisfaction of Buyer, Buyer will refund to Seller all funds that were obtained by Buyer during the processing trial.

Agreement of Seller: By signing below Seller agrees to the terms and conditions in this Agreement, including those terms and conditions on the following pages, and further agrees that this transaction is for business purposes and not for personal, family, or household purposes.

Seller:

Agreed to by:  (Signature), its CEO (Title)
 Print Name: Jeffrey J. Peck

Agreed to by:  (Signature), its CFO (Title)
 Print Name: John P. Sullivan

Buyer: LENDSPARK CORPORATION

Agreed to by:  (Signature), its President (Title)
 Print Name: Salman Vakil

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Agreement of Each Owner: Each Owner signing below agrees to the terms of the Credit Report Authorization below.

Jeffrey J. Peck (Print Name)

 (Signature)

John P. Sullivan (Print Name)

 (Signature)

- 1. Delivery of Purchased Amount:** Seller must deposit all Future Receipts into the single business banking account specified above, which may not be used for any personal, family or household purposes (the "Account") and must instruct Seller's credit card processor, which must be approved by Buyer (the "Processor") to deposit all Payment Card receipts of Seller into the Account. Seller agrees not to change the Account or add an additional Account without the express written consent of Buyer. Seller authorizes Buyer to debit the Daily Amount from the Account each business day by either ACH or electric check. Seller will provide Buyer with all required access codes and agrees not to change them without prior written consent from Buyer. Seller will provide an appropriate ACH authorization to Buyer. Seller understands that it is responsible for either ensuring that the Daily Amount is available in the Account each business day or advising Buyer prior to each daily withdrawal of a shortage of funds. Otherwise, Seller will be responsible for any fees incurred by Buyer resulting from a rejected electronic check or ACH debit attempt, as set forth on Appendix A. Buyer is not responsible for any overdrafts or rejected transactions that may result from Buyer's debiting any amount authorized under the terms of this Agreement. Seller understands that the forgoing ACH authorization is a fundamental condition to induce Buyer to accept this Agreement. Consequently, each authorization is intended to be irrevocable.
- 2. Seller May Request Changes to the Daily Amount:** The initial Daily Amount is intended to represent the Specified Percentage of Seller's daily Future Receipts. For as long as no Event of Default has occurred, Seller may request that Buyer adjust the Daily Amount to more closely reflect the Seller's actual Future Receipts times the Specified Percentage. Seller agrees to provide Buyer any information requested by Buyer to assist in this reconciliation. No more often than once a month, Buyer shall adjust the Daily Amount on a going-forward basis to more closely reflect the Seller's actual Future Receipts times the Specified Percentage. Buyer will give Seller notice five (5) business days prior to any such adjustment. After each adjustment made pursuant to this Section, the new dollar amount shall be deemed the Daily Amount until any subsequent adjustment.
- 3. Daily Amount Upon Default:** Upon the occurrence of an Event of Default, the Specified Percentage shall equal one hundred percent (100%) of all Future Receipts.
- 4. Sale of Future Receipts (THIS IS NOT A LOAN):** Seller is selling a portion of a future revenue stream to Buyer at a discount, not borrowing money from Buyer. There is no interest rate or payment schedule and no time period during which the Purchased Amount must be collected by Buyer. If Future Receipts are remitted more slowly than Buyer may have anticipated or projected because Seller's business has slowed down, or if the full Purchased Amount is never remitted because Seller's business went bankrupt or otherwise ceased operations in the ordinary course of business, and Seller has not breached this Agreement, Seller would not owe anything to Buyer and would not be in breach of or default under this Agreement. Buyer is buying the Purchased Amount of Future Receipts knowing the risks that Seller's business may slow down or fail, and Buyer assumes these risks based on Seller's representations, warranties and covenants in this Agreement that are designed to give Buyer a reasonable and fair opportunity to receive the benefit of its bargain. By this Agreement, Seller transfers to Buyer full and complete ownership of the Purchased Amount of Future Receipts and Seller retains no legal or equitable interest therein. Seller agrees that it will treat Purchase Price and Purchased Amount in a manner consistent with a sale in its account records and tax returns. Seller agrees that Buyer is entitled to audit Seller's accounting records upon reasonable Notice in order to verify compliance. Seller waives any rights of privacy, confidentiality or taxpayer privilege in any such litigation or arbitration in which Seller asserts that this transaction is anything other than a sale of future receipts.
- 5. Fees and Charges:** Other than the Origination Fee, if any, set forth above, Buyer is NOT CHARGING ANY ORIGINATION OR BROKER FEES to Seller. If Seller is charged another such fee, it is not being charged by Buyer. A list of all fees and charges applicable under this Agreement is contained in Appendix A.
- 6. Credit Report and Other Authorizations:** Seller and each of the Owners signing above authorize Buyer, its agents and representatives and any credit reporting agency engaged by Buyer, to (i) investigate any references given or any other statements or data obtained from or about Seller or any of its Owners for the purpose of this Agreement, (ii) obtained consumer and business credit reports on the Seller or any of its Owners, and (iii) to contact personal and business references provided by the Seller in the Application, at any time now or for so long as Seller and/or Owners continue to have any obligation owed to Buyer as a consequence of this Agreement or for Buyer's ability to determine Seller's eligibility to enter into any future agreement with Buyer.
- 7. Authorization to Contact Current and Prior Banks:** Seller hereby authorizes Buyer to contact any current or prior bank of the Seller in order to obtain whatever information it may require regarding Seller's transactions with any such bank. Such information may include, but is not limited to, information necessary to verify the amount of Future Receipts previously processed on behalf of Seller and any fees that may have been charged by the bank. In addition, Seller authorizes Buyer to contact any current or prior bank of the Seller for collections and in order to confirm that Seller is exclusively using the Account identified above, or any other account approved by Buyer, for the deposit of all business receipts.

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8. **Financial Information:** Seller authorizes Buyer and its agents to investigate its financial responsibility and history, and will provide to Buyer any authorizations, bank or financial statements, tax returns, etc., as Buyer deems necessary in its sole discretion prior to or at any time after execution of this Agreement. A photocopy of this authorization will be deemed acceptable as an authorization for release of financial and credit information. Buyer is authorized to update such information and financial and credit profiles from time to time as it deems appropriate. Seller waives, to the maximum extent permitted by law, any claim for damages against Buyer or any of its affiliates relating to any investigation undertaken by or on behalf of Buyer as permitted by this Agreement or disclosure of information as permitted by this Agreement.
9. **Transactional History:** Seller authorizes all of its banks and brokers and Payment Card processors to provide Buyer with Seller's banking, brokerage and/or processing history to determine qualification or continuation in this program, or for collections upon an Event of Default.
10. **Publicity:** Seller hereby authorizes Buyer to use its name in listings of clients and in advertising and marketing materials.
11. **Application of Amounts Received by Buyer:** Buyer reserves the right to apply amounts received by it under this Agreement to any fees or other charges due to Buyer from Seller prior to applying such amounts to reduce the amount of any outstanding Purchased Amount.
12. **Representations, Warranties and Covenants of Seller:**
- 12.1. Good Faith, Best Efforts and Due Diligence. Seller will conduct its business in good faith and will use its best efforts to continue its business at least at its current level, to ensure that Buyer obtains the Purchased Amount.
- 12.2. Stacking Prohibited. Seller shall not enter into any Seller cash advance or any loan agreement that relates to or involves its Future Receipts with any party other than Buyer for the duration of this Agreement. Buyer may share information regarding this Agreement with any third party in order to determine whether Seller is in compliance with this provision.
- 12.3. Financial Condition and Financial Information. Any bank statements and financial statements of Seller that have been furnished to Buyer, and future statements that will be furnished to Buyer, fairly represent the financial condition of Seller at such dates, and Seller will notify Buyer immediately if there are material adverse changes, financial or otherwise, in the condition or operation of Seller or any change in the ownership of Seller. Buyer may request statements at any time during the performance of this Agreement and the Seller shall provide them to Buyer within five (5) business days. Furthermore, Seller represents that all documents, forms and recorded interviews provided to or with Buyer are true, accurate and complete in all respects, and accurately reflect Seller's financial condition and results of operations. Seller further agrees to authorize the release of any past or future tax returns to Seller.
- 12.4. Governmental Approvals. Seller is in compliance and shall comply with all laws and has valid permits, authorizations and licenses to own, operate and lease its properties and to conduct the business in which it is presently engaged and/or will engage in hereafter.
- 12.5. Authority to Enter into this Agreement. Seller and the person(s) signing this Agreement on behalf of Seller, have full power and authority to incur and perform the obligations under this Agreement, all of which have been duly authorized.
- 12.6. Change of Name or Location or Sale or Closing of Business. Seller agrees not to change its name, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered or its business structure without giving Buyer at least 30 days prior written notice. Seller will not sell, dispose, transfer or otherwise convey all or substantially all of its business or assets without (i) the express prior written consent of Buyer, and (ii) the written agreement of any purchaser or transferee assuming all of Seller's obligations under this Agreement pursuant to documentation satisfactory to Buyer. Except as disclosed to Buyer in writing, Seller has no current plans to close its business either temporarily, whether for renovations, repairs or any other purpose, or permanently. Seller agrees that until Buyer has received all of the Purchased Amount, Seller will not voluntarily close its business on a temporarily basis for renovations, repairs, or any other purposes. This provision, however, does not prohibit Seller from closing its business temporarily if such closing is required to conduct renovations or repairs that are required by local ordinance or other legal order, such as from a health or fire inspector, or if otherwise forced to do so by circumstances outside of the control of Seller. Prior to any such closure, Seller will provide Buyer ten (10) business days notice to the extent practicable.
- 12.7. No Pending or Contemplated Bankruptcy. As of the date Seller executes this Agreement, Seller is not insolvent and does not contemplate and has not filed any petition for bankruptcy protection under Title 11 of the United States Code and there has been no involuntary petition brought or pending against Seller. Seller represents that it has not consulted with a bankruptcy attorney within six (6) months prior to the date of this Agreement. Seller further warrants that it does not anticipate filing a bankruptcy petition and it does not anticipate that an involuntary petition will be filed against it.
- 12.8. Seller to Pay Taxes Promptly. Seller will promptly pay all necessary taxes, including, but not limited to, employment and sales and use taxes.
- 12.9. No Violation of Prior Agreements. Seller's execution and performance of this Agreement will not conflict with any other agreement, obligation, promise, court order, administrative order or decree, law or regulation to which Seller is subject, including any agreement that prohibits the sale or pledge of Seller's future receipts.
- 12.10. No Diversion of Receipts. Seller will not permit any event to occur that could cause a diversion of any of Seller's Future Receipts from the Account to any other entity.
- 12.11. Seller's Knowledge and Representation. Seller represents warrants and agrees that it is a sophisticated business entity familiar with the kind of transaction covered by this Agreement; it was represented by counsel or had full opportunity to consult with counsel.

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13. Rights of Buyer:

13.1. Acknowledgment of Security Interest and Security Agreement. The Future Receipts sold by Seller to Buyer pursuant to this Agreement are "accounts" or "payment intangibles" as those terms are defined in the Uniform Commercial Code as in effect in the state in which the Seller is located (the "UCC") and such sale shall constitute and shall be construed and treated for all purposes as a true and complete sale, conveying good title to the Future Receipts free and clear of any liens and encumbrances, from Seller to Buyer. To the extent the Future Receipts are "accounts" or "payment intangibles" then (i) the sale of the Future Receipts creates a security interest as defined in the UCC, (ii) this Agreement constitutes a "security agreement" under the UCC, and (iii) Buyer has all the rights of a secured party under the UCC with respect to such Future Receipts. Seller further agrees that, with or without an Event of Default, Buyer may notify account debtors, or other persons obligated on the Future Receipts, of Seller's sale of the Future Receipts and may instruct them to make payment or otherwise render performance to or for the benefit of Buyer.

13.2. Financing Statements. Seller authorizes Buyer to file one or more UCC-1 forms consistent with the UCC to give notice that the Purchased Amount of Future Receipts is the sole property of Buyer. The UCC filing may state that such sale is intended to be a sale and not an assignment for security and may state that the Seller is prohibited from obtaining any financing that impairs the value of the Future Receipts or Buyer's right to collect same. Seller authorizes Buyer to debit the Account for all costs incurred by Buyer associated with the filing, amendment, continuation or termination of any UCC filings."

13.3. Right of Access. In order to ensure that Seller is complying with the terms of this Agreement, Buyer shall have the right to (i) enter, without notice, the premises of Seller's business for the purpose of inspecting and checking Seller's transaction processing terminals to ensure the terminals are properly programmed to submit and/or batch Seller's daily receipts to the Processor and to ensure that Seller has not violated any other provision of this Agreement, and (ii) Seller shall provide access to its employees and records and all other items as requested by Buyer, and (iii) have Seller provide information about its business operations, banking relationships, vendors, landlord and other information to allow Buyer to interview any relevant parties. Furthermore, Seller agrees to provide Buyer, at all times, "Live Contemporaneous Access" to all of its bank accounts in order for Buyer to evaluate Seller's compliance with this Agreement, and for collections in the Event of Default ("Seller's Accounts"). "Live Contemporaneous Access" shall be defined as: Seller, at all times and including, but not limited to, providing Buyer with accurate login information necessary to access all of Seller's Accounts, such as usernames and passwords, answers to challenge questions, and security tokens.

13.4. Phone Recordings and Contact. Seller agrees that any call between Buyer and Seller, and their agents and employees may be recorded or monitored. Further, Seller agrees that (i) it has an established business relationship with Buyer, its employees and agents and that Seller may be contacted from time-to-time regarding this or other business transactions; (ii) that such communications and contacts are not unsolicited or inconvenient; and (iii) that any such contact may be made at any phone number, emails address, or facsimile number given to Buyer by the Seller, its agents or employees, including cellular telephones.

14. Events of Default: The occurrence of any of the following events shall constitute an "Event of Default:" (a) Seller interferes with Buyer's right to collect the Daily Amount; (b) Seller violates any term or covenant in this Agreement; (c) Seller uses multiple depository accounts without the prior written consent of Buyer; (d) Seller changes its depositing account or its payment card processor without the prior written consent of Buyer; (e) Seller defaults under any of the terms, covenants and conditions of any other agreement with Buyer; or (f) Seller's failure to cure, within one business day, any disruptions and/or any inability Buyer may have in maintaining Live Contemporaneous Access to Seller's Accounts pursuant to Section 13.3 of this Agreement.

15. Remedies: If any Event of Default occurs, Buyer may proceed to protect and enforce its rights including, but not limited to, the following:

15.1. The Specified Percentage shall equal one hundred percent (100%). The full uncollected Purchased Amount plus all fees and charges (including legal fees) due under this Agreement will become due and payable in full immediately.

15.2. Buyer may enforce the provisions of the Personal Guaranty of Performance against each Owner.

15.3. Buyer may proceed to protect and enforce its rights and remedies by arbitration or lawsuit. In any such arbitration or lawsuit, under which Buyer shall recover Judgment against Seller, Seller shall be liable for all of Buyer's costs of the lawsuit, including, but not limited to, all reasonable attorneys' fees and court costs. However, the rights of Buyer under this provision shall be limited as provided in the arbitration provision set forth below.

15.4. Buyer may debit Seller's depository accounts wherever situated by means of ACH debit or facsimile signature on a computer-generated check drawn on Seller's bank account or otherwise for all sums due to Buyer.

15.5. Seller shall pay to Buyer all reasonable costs associated with the Event of Default and the enforcement of Buyer's remedies, including, but not limited to, court costs and attorneys' fees.

15.6. Buyer may exercise and enforce its rights as a secured party under the UCC.

15.7. All rights, powers and remedies of Buyer in connection with this Agreement may be exercised at any time by Buyer after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

16. Modifications; Agreements: No modification, amendment, waiver or consent of any provision of this Agreement shall be effective unless the same shall be in writing and signed by Buyer.

17. Assignment: Buyer may assign, transfer or sell its rights to receive the Purchased Amount or delegate its duties hereunder,

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either in whole or in part, with or without prior written notice to Seller.

18. Notices:

18.1. Notices from Buyer to Seller. Buyer may send any notices, disclosures, terms and conditions, other documents, and any future changes to Seller by regular mail or by e-mail, at Buyer's option and Seller consents to such electronic delivery. Notices sent by e-mail are effective when sent. Notices sent by regular mail become effective upon mailing to Seller's address set forth in this Agreement.

18.2. Notices from Seller to Buyer. Seller may send any notices to Buyer by e-mail only upon the prior written consent of Buyer, which consent may be withheld or revoked at any time in Buyer's sole discretion. Otherwise, any notices or other communications from Seller to Buyer must be delivered by certified mail, return receipt requested, to Buyer's address set forth in this Agreement. Notices sent to Buyer shall become effective only upon receipt by Buyer.

19. Binding Effect; Governing Law, Venue and Jurisdiction: This Agreement shall be binding upon and inure to the benefit of Seller, Buyer and their respective successors and assigns, except that Seller shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Buyer which consent may be withheld in Buyer's sole discretion. This Agreement shall be governed by and construed in accordance with the laws of the state of California, without regards to any applicable principals of conflicts of law. Any suit, action or proceeding arising hereunder, or the interpretation, performance or breach of this Agreement, shall, if Buyer so elects, be instituted in any court sitting in California (the "Acceptable Forums"). Seller agrees that the Acceptable Forums are convenient to it, and submits to the jurisdiction of the Acceptable Forums and waives any and all objections to jurisdiction or venue. Should such proceeding be initiated in any other forum, Seller waives any right to oppose any motion or application made by Buyer to transfer such proceeding to an Acceptable Forum.

20. Survival of Representation, etc.: All representations, warranties and covenants herein shall survive the execution and delivery of this Agreement and shall continue in full force until all obligations under this Agreement shall have been satisfied in full.

21. Interpretation: All parties hereto have reviewed this Agreement with an attorney of their own choosing and have relied only on their own attorney's guidance and advice. No construction determinations shall be made against either party hereto as drafter.

22. Entire Agreement and Severability: This Agreement embodies the entire agreement between Seller and Buyer and supersedes all prior agreements and understandings relating to the subject matter hereof. In case any of the provisions in this Agreement is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of any other provision contained herein shall not in any way be affected or impaired.

23. Facsimile Acceptance: Facsimile signatures hereon, or other electronic means reflecting the party's signature hereto, shall be deemed acceptable for all purposes.

24. Confidentiality: The terms and conditions of this Agreement are proprietary and confidential unless required by law. Seller shall not disclose this information to anyone other than its attorney, accountant or similar service provider and then only to the extent such person uses the information solely for purpose of advising Seller and first agrees in writing to be bound by the terms of this Section. A breach entitles Buyer to damages and legal fees as well as temporary restraining order and preliminary injunction without bond.

25. Monitoring, Recording, and Solicitations:

25.1. Authorization to Contact Seller by Phone. Seller authorizes Buyer, its affiliates, agents and independent contractors to contact Seller at any telephone number Seller provides to Buyer or from which Seller places a call to Buyer, or any telephone number where Buyer believes it may reach Seller, using any means of communication, including, but not limited to, calls or text messages to mobile, cellular, wireless or similar devices or calls or text messages using an automated telephone dialing system and/or artificial voices or prerecorded messages, even if Seller incurs charges for receiving such communications.

25.2. Authorization to Contact Seller by Other Means. Seller also agree that Buyer, its affiliates, agents and independent contractors, may use any other medium not prohibited by law including, but not limited to, mail, e-mail and facsimile, to contact Seller. Seller expressly consents to conduct business by electronic means.

26. JURY WAIVER. THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE TRANSACTIONS OF WHICH THIS AGREEMENT IS A PART OR ITS ENFORCEMENT, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. THE PARTIES ACKNOWLEDGE THAT EACH MAKES THIS WAIVER KNOWINGLY, WILLINGLY AND VOLUNTARILY AND WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH THEIR ATTORNEYS.

27. CLASS ACTION WAIVER. THE PARTIES WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST THE OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. TO THE EXTENT EITHER PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST THE OTHER, THE PARTIES AGREE THAT: (I) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS' FEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS OR REPRESENTATIVE ACTION (NOT WITHSTANDING

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ANY OTHER PROVISION IN THIS AGREEMENT); AND (II) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

28. **ARBITRATION.** IF BUYER, SELLER OR ANY GUARANTOR REQUESTS, THE OTHER PARTIES AGREE TO ARBITRATE ALL DISPUTES AND CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT. IF BUYER, SELLER OR ANY GUARANTOR SEEKS TO HAVE A DISPUTE SETTLED BY ARBITRATION, THAT PARTY MUST FIRST SEND TO ALL OTHER PARTIES, BY CERTIFIED MAIL, A WRITTEN NOTICE OF INTENT TO ARBITRATE. IF BUYER, SELLER OR ANY GUARANTOR DO NOT REACH AN AGREEMENT TO RESOLVE THE CLAIM WITHIN THIRTY (30) DAYS AFTER THE NOTICE IS RECEIVED, BUYER, SELLER OR ANY GUARANTOR MAY COMMENCE AN ARBITRATION PROCEEDING WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") OR NATIONAL ARBITRATION FORUM ("NAF"). BUYER WILL PROMPTLY REIMBURSE SELLER OR THE GUARANTOR ANY ARBITRATION FILING FEE, HOWEVER, IN THE EVENT THAT BOTH SELLER AND THE GUARANTOR MUST PAY FILING FEES, BUYER WILL ONLY REIMBURSE SELLER'S ARBITRATION FILING FEE AND, EXCEPT AS PROVIDED IN THE NEXT SENTENCE, BUYER WILL PAY ALL ADMINISTRATION AND ARBITRATOR FEES. IF THE ARBITRATOR FINDS THAT EITHER THE SUBSTANCE OF THE CLAIM RAISED BY SELLER OR THE GUARANTOR OR THE RELIEF SOUGHT BY SELLER OR THE GUARANTOR IS IMPROPER OR NOT WARRANTED, AS MEASURED BY THE STANDARDS SET FORTH IN FEDERAL RULE OF PROCEDURE 11(B), THEN BUYER WILL PAY THESE FEES ONLY IF REQUIRED BY THE AAA OR NAF RULES. SELLER AND THE GUARANTOR AGREE THAT, BY ENTERING INTO THIS AGREEMENT, THEY ARE WAIVING THE RIGHT TO TRIAL BY JURY. BUYER, SELLER OR ANY GUARANTOR MAY BRING CLAIMS AGAINST ANY OTHER PARTY ONLY IN THEIR INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. FURTHER, BUYER, SELLER AND ANY GUARANTOR AGREE THAT THE ARBITRATOR MAY NOT CONSOLIDATE PROCEEDINGS FOR MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING, AND THAT IF THIS SPECIFIC PROVISION IS FOUND UNENFORCEABLE, THEN THE ENTIRETY OF THIS ARBITRATION CLAUSE SHALL BE NULL AND VOID.
29. **RIGHT TO OPT OUT OF ARBITRATION.** SELLER AND GUARANTOR(S) MAY OPT OUT OF THIS CLAUSE. TO OPT OUT OF THIS ARBITRATION CLAUSE, SELLER AND EACH GUARANTOR MUST SEND BUYER A NOTICE THAT THE SELLER AND EACH GUARANTOR DOES NOT WANT THIS CLAUSE TO APPLY TO THIS AGREEMENT. FOR ANY OPT OUT TO BE EFFECTIVE, SELLER AND EACH GUARANTOR MUST SEND AN OPT OUT NOTICE TO THE FOLLOWING ADDRESS BY REGISTERED MAIL, WITHIN FOURTEEN (14) DAYS AFTER THE DATE OF THIS AGREEMENT: BUYER – ARBITRATION OPT OUT, LENDSPARK CORPORATION, 2554 GATEWAY ROAD, CARLSBAD, CA 92009, ATTENTION: LEGAL DEPARTMENT.
30. **SERVICE OF PROCESS.** SELLER HEREBY CONSENTS TO SERVICE OF PROCESS UPON IT BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, SERVICE HEREUNDER SHALL BE COMPLETE UPON SELLER'S ACTUAL RECEIPT OF PROCESS OR UPON BUYER'S RECEIPT OF THE RETURN THEREOF BY THE UNITED STATES POSTAL SERVICE AS REFUSED OR UNDELIVERABLE. SELLER MUST PROMPTLY NOTIFY BUYER, IN WRITING, OF EACH AND EVERY CHANGE OF ADDRESS TO WHICH SERVICE OF PROCESS CAN BE MADE. SERVICE BY BUYER TO THE LAST KNOWN ADDRESS SHALL BE SUFFICIENT. SELLER WILL HAVE (30) CALENDAR DAYS AFTER SERVICE HEREUNDER IS COMPLETE IN WHICH TO RESPOND. FURTHERMORE, SELLER EXPRESSLY CONSENTS THAT ANY AND ALL NOTICE(S), DEMAND(S), REQUEST(S) OR OTHER COMMUNICATION(S) UNDER AND PURSUANT TO THIS AGREEMENT FOR THE PURCHASE AND SALE OF FUTURE RECEIVABLES SHALL BE DELIVERED IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT FOR THE PURCHASE AND SALE OF FUTURE RECEIVABLES.

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**APPENDIX A
LIST OF FEES AND CHARGES**

In addition to the Purchased Amount of Future Receipts, the Agreement provides that the following fees shall be applied:

1. Underwriting Fee - \$30,000.00
2. Non-Sufficient Funds (NSF) Fee - \$35.00 each (up to FOUR (4) TIMES ONLY before a default is declared)
3. Stopped Fee - \$135.00
4. ACH Processing Fee - \$12.50
5. UCC Filing Fee - \$150.00
6. Default Fee - \$2,500.00
7. Financing Fee -

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PERSONAL GUARANTY OF PERFORMANCE

This Personal Guaranty of Performance (this "Guaranty") is executed as of 04/03/2023 by Jeffrey J. Peck ("Guarantor"), for the benefit of LENDSPARK CORPORATION ("Buyer").

Capitalized terms used herein, but not defined, shall have the meanings assigned to them in the Purchase Agreement (as hereinafter defined).

RECITALS

- A. Pursuant to that Agreement for the Purchase and Sale of Future Receipts (the "Agreement"), dated of even date herewith, between Buyer and ISUN, INC., et al. ("Seller"), Buyer has purchased Future Receipts of Seller.
- B. Buyer is not willing to enter into the Agreement unless Guarantor irrevocably, absolutely and unconditionally guarantees prompt and complete performance to Buyer of all of the obligations of Seller; and
- C. Guarantor will directly benefit from Buyer and Seller entering into the Agreement.

AGREEMENT

As an inducement to Buyer to purchase the Future Receipts identified in the Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Guarantor does hereby agree as follows:

1. **Defined Terms:** All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.
2. **Guaranty of Obligations:** Guarantor hereby irrevocably, absolutely and unconditionally guarantees to Buyer prompt and complete performance of all of Seller's obligations under the Agreement.
3. **Guarantor's Other Agreements:** Guarantor will not dispose, convey, sell or otherwise transfer, or cause Seller to dispose, convey, sell or otherwise transfer, any material business assets of Seller without the prior written consent of Buyer, which may be withheld for any reason, until receipt of the entire Purchased Amount. Guarantor hereby agrees to pay all costs and attorney's fees incurred by Buyer in connection with any actions commenced by Buyer to enforce its rights or incurred in any action to defend its performance under the Agreement and this Guaranty. This Guaranty is binding upon Guarantor, and Guarantor's heirs, legal representatives, successors and assigns. If there is more than one Guarantor, the obligations of the Guarantors hereunder shall be joint and several. The obligation of Guarantor shall be unconditional and absolute, regardless of the unenforceability of any provision of any agreement between Seller and Buyer, or the existence of any defense, setoff or counterclaim which Seller may assert. Buyer is hereby authorized, without notice or demand and without affecting the liability of Guarantor hereunder, to at any time renew or extend Seller's obligations under the Agreement or otherwise modify, amend or change the terms of the Agreement. Guarantor is hereby notified that a negative credit report reflecting on his/her credit record may be submitted to a credit reporting agency if the terms of this Guaranty are not honored by the Guarantor.
4. **Waiver; Remedies:** No failure on the part of Buyer to exercise, and no delay in exercising, any right under this Guaranty shall operate as a waiver, nor shall any single or partial exercise of any right under this Guaranty preclude any other or further exercise of any other right. The remedies provided in this Guaranty are cumulative and not exclusive of any remedies provided by law or equity. In the event that Seller fails to perform any obligation under the Agreement, Buyer may enforce its rights under this Guaranty without first seeking to obtain performance for such default from Seller or any other guarantor.
5. **Acknowledgment of Purchase:** Guarantor acknowledges and agrees that the Purchase Price paid by Buyer to Seller in exchange for the Purchased Amount is a purchase of the Purchased Amount and is not intended to be treated as a loan or financial accommodation from Buyer to Seller. Guarantor specifically acknowledges Buyer is not a lender, bank or credit card processor, and that Buyer has not offered any loans to Seller, and Guarantor waives any claims or defenses of usury in any action arising out of this Guaranty. Guarantor acknowledges the Purchase Price paid to Seller is good and valuable consideration for the sale of the Purchased Amount of Future Receipts.
6. **Governing Law and Jurisdiction:** This Guaranty shall be governed by, and constructed in accordance with, the internal laws of the State of California without regard to principles of conflicts of law. Except as provided in Section 9 of this Guaranty, Guarantor submits to the exclusive jurisdiction and venue of the state or federal courts having jurisdiction over any city/county in the State of California of any claims or actions arising, directly or indirectly, out of or related to this Guaranty. The parties stipulate that the venues referenced in this Guaranty are convenient. The parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court will constitute valid and lawful service of process against them, without the necessity for service by any other means provided by statute or rule of court, but without invalidating service performed in accordance with such other provisions.

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7. **JURY WAIVER:** THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE TRANSACTIONS OF WHICH THIS GUARANTY IS A PART OR ITS ENFORCEMENT, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. THE PARTIES ACKNOWLEDGE THAT EACH MAKES THIS WAIVER KNOWINGLY, WILLINGLY AND VOLUNTARILY AND WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH THEIR ATTORNEYS.
8. **CLASS ACTION WAIVER:** THE PARTIES WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST THE OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. TO THE EXTENT EITHER PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST THE OTHER, THE PARTIES AGREE THAT: (I) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS' FEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS OR REPRESENTATIVE ACTION (NOT WITHSTANDING ANY OTHER PROVISION IN THIS GUARANTY); AND (II) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.
9. **ARBITRATION:** IF BUYER, SELLER OR ANY GUARANTOR REQUESTS, THE OTHER PARTIES AGREE TO ARBITRATE ALL DISPUTES AND CLAIMS ARISING OUT OF OR RELATING TO THIS GUARANTY. IF BUYER, SELLER OR ANY GUARANTOR SEEKS TO HAVE A DISPUTE SETTLED BY ARBITRATION, THAT PARTY MUST FIRST SEND TO THE OTHER PARTY, BY CERTIFIED MAIL, A WRITTEN NOTICE OF INTENT TO ARBITRATE. IF BUYER, SELLER OR ANY GUARANTOR DO NOT REACH AN AGREEMENT TO RESOLVE THE CLAIM WITHIN THIRTY (30) DAYS AFTER THE NOTICE IS RECEIVED, BUYER, SELLER OR ANY GUARANTOR MAY COMMENCE AN ARBITRATION PROCEEDING WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") OR NATIONAL ARBITRATION FORUM ("NAF"). BUYER WILL PROMPTLY REIMBURSE SELLER OR THE GUARANTOR ANY ARBITRATION FILING FEE, HOWEVER, IN THE EVENT THAT BOTH SELLER AND THE GUARANTOR MUST PAY FILING FEES, BUYER WILL ONLY REIMBURSE SELLER'S ARBITRATION FILING FEE AND, EXCEPT AS PROVIDED IN THE NEXT SENTENCE, BUYER WILL PAY ALL ADMINISTRATION AND ARBITRATOR FEES. IF THE ARBITRATOR FINDS THAT EITHER THE SUBSTANCE OF THE CLAIM RAISED BY SELLER OR THE GUARANTOR OR THE RELIEF SOUGHT BY SELLER OR THE GUARANTOR IS IMPROPER OR NOT WARRANTED, AS MEASURED BY THE STANDARDS SET FORTH IN FEDERAL RULE OF PROCEDURE 11(B), THEN BUYER WILL PAY THESE FEES ONLY IF REQUIRED BY THE AAA OR NAF RULES. SELLER AND THE GUARANTOR AGREE THAT, BY ENTERING INTO THIS GUARANTY, THEY ARE WAIVING THE RIGHT TO TRIAL BY JURY. BUYER, SELLER OR ANY GUARANTOR MAY BRING CLAIMS AGAINST ANY OTHER PARTY ONLY IN THEIR INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. FURTHER, BUYER, SELLER AND ANY GUARANTOR AGREE THAT THE ARBITRATOR MAY NOT CONSOLIDATE PROCEEDINGS FOR MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING, AND THAT IF THIS SPECIFIC PROVISION IS FOUND UNENFORCEABLE, THEN THE ENTIRETY OF THIS ARBITRATION CLAUSE SHALL BE NULL AND VOID.
10. **RIGHT TO OPT OUT OF ARBITRATION:** SELLER AND GUARANTOR(S) MAY OPT OUT OF THIS CLAUSE. TO OPT OUT OF THIS ARBITRATION CLAUSE, SELLER AND EACH GUARANTOR MUST SEND BUYER A NOTICE THAT THE SELLER AND EACH GUARANTOR DOES NOT WANT THIS CLAUSE TO APPLY TO THIS GUARANTY. FOR ANY OPT OUT TO BE EFFECTIVE, SELLER AND EACH GUARANTOR MUST SEND AN OPT OUT NOTICE TO THE FOLLOWING ADDRESS BY REGISTERED MAIL, WITHIN FOURTEEN (14) DAYS AFTER THE DATE OF THIS GUARANTY: BUYER - ARBITRATION OPT OUT, LENDSPARK CORPORATION, 2554 GATEWAY ROAD, CARLSBAD, CA 92009, ATTENTION: LEGAL DEPARTMENT.
11. **SERVICE OF PROCESS.** GUARANTOR HEREBY CONSENTS TO SERVICE OF PROCESS UPON IT BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, SERVICE HEREUNDER SHALL BE COMPLETE UPON GUARANTOR'S ACTUAL RECEIPT OF PROCESS OR UPON BUYER'S RECEIPT OF THE RETURN THEREOF BY THE UNITED STATES POSTAL SERVICE AS REFUSED OR UNDELIVERABLE. GUARANTOR MUST PROMPTLY NOTIFY BUYER, IN WRITING, OF EACH AND EVERY CHANGE OF ADDRESS TO WHICH SERVICE OF PROCESS CAN BE MADE. SERVICE BY BUYER TO THE LAST KNOWN ADDRESS SHALL BE SUFFICIENT. GUARANTOR WILL HAVE THIRTY (30) CALENDAR DAYS AFTER SERVICE HEREUNDER IS COMPLETE IN WHICH TO RESPOND. FURTHERMORE, GUARANTOR EXPRESSLY CONSENTS THAT ANY AND ALL NOTICE(S), DEMAND(S),

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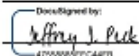
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REQUEST(S) OR OTHER COMMUNICATION(S) UNDER AND PURSUANT TO THIS PERSONAL GUARANTY OF PERFORMANCE SHALL BE DELIVERED IN ACCORDANCE WITH THE PROVISIONS OF THIS PERSONAL GUARANTY OF PERFORMANCE.

12. **Severability:** If for any reason any court of competent jurisdiction finds any provisions of this Guaranty to be void or voidable, the parties agree that the court may reform such provision(s) to render the provision(s) enforceable ensuring that the restrictions and prohibitions contained in this Guaranty shall be effective to the fullest extent allowed under applicable law.
13. **Opportunity for Attorney Review:** The Guarantor represents that it has carefully read this Guaranty and has, or had a reasonable opportunity to, consult with its attorney. Guarantor understands the contents of this Guaranty, and signs this Guaranty as its free act and deed.
14. **Counterparts and Facsimile Signatures:** This Guaranty may be signed in one or more counterparts, each of which shall constitute an original and all of which when taken together shall constitute one and the same agreement. Facsimile or scanned documents shall have the same legal force and effect as an original and shall be treated as an original document for evidentiary purposes.

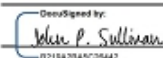
For Individual Guarantors:

Guarantor: Jeffrey J. Peck (Print Name)

Signature:  (4755885/CC447D...)

For Individual Guarantors:

Guarantor: John P. Sullivan (Print Name)

Signature:  (B218A2BAC39442...)

For Corporate Guarantors (or other entities):

Guarantor: _____

Signature: _____

Print Name of Signor: _____

Its: _____ (Official Position)

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**AUTHORIZATION AGREEMENT
FOR AUTOMATED CLEARING HOUSE TRANSACTIONS**

ISUN, INC., et al. ("Seller") hereby authorizes LENDSPARK CORPORATION ("Buyer") to present automated clearing house (ACH) debits to the following checking account in the amount of fees and other obligations due to Buyer from Seller under the terms of that Agreement for the Purchase and Sale of Future Receipts (the "Agreement") entered into between Seller and Buyer, as it may be amended, supplemented or replaced from time to time. In addition, if an Event of Default (as defined in the Agreement) occurs, Seller authorizes Buyer to debit any and all accounts controlled by Seller or controlled by any entity with the same Federal Tax Identification Number as Seller up to the total amount, including but not limited to, all fees and charges, due to Buyer from Seller under the terms of the Agreement.

Transfer Funds To/From: **Name of Bank:** NBT BANK NA
ABA Transit/Routing #: 021303618
Checking Account # 7100892043

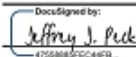
This authorization is to remain in full force and effect until all obligations due to Buyer under the Agreement have been fulfilled.

ATTACH VOIDED CHECK HERE

Seller:

Federal Tax ID #: 47-2150172

Signature:

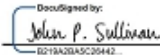
DocuSigned by:

47268885DCC44F93

Print Name: Jeffrey J. Peck

Title: CEO

Date: 4/4/2023

Signature:

DocuSigned by:

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Print Name: John P. Sullivan

Title: CFO

Date: 4/4/2023

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Dear Seller,

Please fill out the form below with the access information for your bank account, please write legibly and indicate lower/upper case sensitivity.

Legal Name / DBA:	ISUN, INC.
Bank portal website:	
Username:	
Password:	
Security Question/Answer 1:	
Security Question/Answer 2:	
Security Question/Answer 3:	
Security Question/Answer 4:	
Security Question/Answer 5:	
Security Question/Answer 6:	
Any other information necessary to access your account:	

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STACKING PROHIBITED ADDENDUM

This Stacking Prohibited Addendum is made as of 04/03/2023 (the "Addendum") to the Agreement for the Purchase and Sale of Future Receipts between LENDSPARK CORPORATION (the "Buyer") and ISUN, INC., et al. (the "Seller") dated 04/03/2023 (the "Agreement").

Whereas, the Buyer desires to draw attention to Section 12.2 of the Agreement ("Stacking Prohibited"), which strictly prohibits Seller from entering into any type of financing agreement that relates to or involves its Future Receipts with any other party other than Buyer for the duration of the Agreement.

Seller agrees to the Stacking Prohibited provision of the Agreement, and fully understands that breach of the Stacking Prohibited provision shall constitute an Event of Default.

By signing this Addendum, Seller agrees and fully understands that in the event Seller breaches the Stacking Prohibited provision, Buyer fully reserves its rights to immediately commence collections activities pursuant to Section 15 of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed, or has caused to be executed, this Addendum as of the date first written above.

Seller:

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), its CEO (Title)
 Print Name: Jeffrey J. Peck

Agreed to by: DocuSigned by: John P. Sullivan (Signature), its CFO (Title)
 Print Name: John P. Sullivan

Buyer: LENDSPARK CORPORATION

Agreed to by: DocuSigned by: Salman Vakil (Signature), its President (Title)
 Print Name: Salman Vakil

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List of Top 5 Clients – Please list the top 5 clients that you are currently providing services for / have provided services for in the past thirty (30) days.

Business Name:		
Contact Name:		
Phone Number:		
Does this client owe you money?	Amount	
Business Name:		
Contact Name:		
Phone Number:		
Does this client owe you money?	Amount	
Business Name:		
Contact Name:		
Phone Number:		
Does this client owe you money?	Amount	
Business Name:		
Contact Name:		
Phone Number:		
Does this client owe you money?	Amount	
Business Name:		
Contact Name:		
Phone Number:		
Does this client owe you money?	Amount	

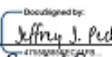
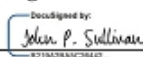
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INFORMATION DISCLOSURE FORM (All information must be provided in order to release funds)				
CONTRACTUAL FUNDING INFORMATION				
Advance Amount: \$1,500,000.00	Specified Percentage: 20%		Weekly Remittance: \$40,200.00	
BUSINESS INFORMATION				
Legal Business Name: ISUN, INC.		Business DBA: ISUN		
Address: 400 Avenue D Suite 10		City: Williston	State: VT	Zip: 05495
Business Phone: 802-658-3378	Business Email: jeff@isunenergy.com	Use of Funds:	Tax ID: 47-2150172	Time in Business: 33.9 Years
List all additional locations associated to business. williston, VT				
Does the company currently have any open/unsatisfied advances? List which companies/balances. No				
Does the company have any active or pending litigation/judgements/liens/tax obligations? No				
BANK ACCOUNT INFORMATION (list all accounts below)				
Bank Name:	Account Number:		Routing Number:	
NBT BANK NA	7100892043		021303618	
OFFICERS INFORMATION				
Owner 1 – Full Name: Jeffrey J. Peck	DOB: 10/28/1970	Social Security #: 009-66-3788	Cell Phone #: 802-355-3850	
Address: 618 Brennan Wood Drive	City: Williston	State: VT	Zip: 05495	
Personal Email Address: jeff@isunenergy.com	Ownership %: 10%	Signature: 	Date: 4/4/2023	
Owner 2 – Full Name: John P. Sullivan	DOB: 10/02/1974	Social Security #: 196565153	Cell Phone #: 8025987022	
Address: 97 Overlake Pk	City: Burlington	State: VT	Zip: 05401	
Personal Email Address: john@isunenergy.com	Ownership %: 1	Signature: 	Date: 4/4/2023	

DS
Initial


Initial

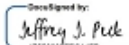
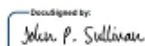
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Initial

CA DBO License No.: 60DBO-41240

CREDIT DISCLOSURE

The above information is warranted to be true and correct. We hereby authorize LENDSPARK CORPORATION its assigns, agents, bank, or financial institution to verify and collect information on us, included but not limited to bank references, trade credit references, and/or commercial credit reports. In compliance with the FAIR CREDIT REPORTING ACT, this is to inform you that you are authorizing this organization and/or its suppliers to obtain a consumer and/or business profile credit report.

Owner 1 Signature: 	Print Name: Jeffrey J. Peck	Date: 4/4/2023
Owner 2 Signature: 	Print Name: John P. Sullivan	Date: 4/4/2023



Initial



Initial

CA DBO License No.: 60DBO-41240



Weekly Deliveries Addendum

The Agreement for the Purchase and Sale of Future Receipts dated April 3, 2023, between LendSpark Corporation, ("Buyer") and ISUN, INC., et al. ("Seller") is hereby modified as follows:

The Buyer will ACH debit \$40,200.00, which represents 5 times the Initial Daily Amount, from the Seller's Account on a weekly basis, every Wednesday, until the Purchased Amount is delivered.

Clause 15(f) in the "Events of Default" section of the Agreement is deleted and replaced with the following:

"(f) Seller fails to provide timely notice to Buyer such that an ACH transaction attempted by Buyer is rejected by Seller's bank."

Seller: ISUN, INC., et al.

Agreed to by: Jeffrey J. Peck (Signature), its CEO (Title)

Print Owner's Name: Jeffrey J. Peck

Date: 4/4/2023

Seller: ISUN, INC., et al.

Agreed to by: John P. Sullivan (Signature), its CFO (Title)

Print Owner's Name: John P. Sullivan

Date: 4/4/2023

Buyer: LendSpark Corporation

Agreed to by: [Signature] (Signature), its President (Title)

Date: 4/5/2023



**Seller Definition Addendum to the Agreement for the Purchase of Sale of Future Receipts dated:
April 3, 2023.**

Buyer and Seller hereby agree that "Seller" is defined as follows:

Name: ISUN, INC. d/b/a ISUN
Address: 400 Avenue D Suite 10, Williston, VT 05495
EIN #: 47-2150172

Name: ISUN CORPORATE, LLC
Address: 400 Avenue D Suite 10, Williston, VT 05495
EIN #: 87-4014391

Name: ISUN ENERGY LLC
Address: 400 Ave D Williston VT
EIN #: 83-2951676

Name: ISUN INDUSTRIAL, LLC
Address: 400 Ave D Williston VT
EIN #: 87-3994333

Name: ISUN RESIDENTIAL, INC.
Address: 400 Ave D Williston VT
EIN #: 87-4033525

Name: ISUN COMMERCIAL
Address: 400 Ave D Williston VT
EIN #: 87-4033525

Name: ISUN UTILITY, LLC
Address: 400 Ave D Williston VT
EIN #: 87-4014411

Name: PECK ELECTRIC CO.
Address: 400 Avenue D Suite 10, Williston, VT 05495
EIN #: 03-0235229

Name: SUNCOMMON, INC.
Address: 400 Ave D Williston VT
EIN #: 20-2635739

Name: SUN CSA 36, LLC
Address: 400 Ave D Williston VT
EIN #: 03-0235229

Name: PECK INVESTMENT PROPERTIES LLC
Address: PO BOX 1266 Williston, VT
EIN #: 009-66-3788

DS
JJP

DS
JPS



Name: C.P. PROPERTY LLC
Address: 400 Ave D Williston VT
EIN #: 009663788

Name: MEADOW'S EDGE, INC.
Address: 400 Ave D Williston VT
EIN #: 009-66-3788

Name: LIBERTY ELECTRIC CO
Address: 400 Ave D Williston VT
EIN #: 61-2020095

Name: PECK SOLAR
Address: 400 Ave D Williston VT
EIN #: 009-66-3788

ISUN, INC. d/b/a ISUN

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their CEO (Title)
4755885FEC44F0...
Print Owner's Name: Jeffrey J. Peck

ISUN, INC. d/b/a ISUN

Agreed to by: DocuSigned by: John P. Sullivan (Signature), their CFO (Title)
8218A2B45C28442...
Print Owner's Name: John P. Sullivan

ISUN CORPORATE, LLC

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)
4755885FEC44F0...
Print Owner's Name: Jeffrey J. Peck

ISUN CORPORATE, LLC

Agreed to by: DocuSigned by: John P. Sullivan (Signature), their Member (Title)
8218A2B45C28442...
Print Owner's Name: John P. Sullivan

ISUN ENERGY LLC

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)
4755885FEC44F0...
Print Owner's Name: Jeffrey J. Peck

ISUN ENERGY LLC

Agreed to by: DocuSigned by: John P. Sullivan (Signature), their Member (Title)
8218A2B45C28442...
Print Owner's Name: John P. Sullivan



ISUN INDUSTRIAL, LLC

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)
47558885FEC44F9...

Print Owner's Name: Jeffrey J. Peck

ISUN INDUSTRIAL, LLC

Agreed to by: DocuSigned by: John P. Sullivan (Signature), their Member (Title)
8270428A5C28442...

Print Owner's Name: John P. Sullivan

ISUN RESIDENTIAL, INC.

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)
47558885FEC44F9...

Print Owner's Name: Jeffrey J. Peck

ISUN RESIDENTIAL, INC.

Agreed to by: DocuSigned by: John P. Sullivan (Signature), their Treasurer (Title)
8270428A5C28442...

Print Owner's Name: John P. Sullivan

ISUN COMMERCIAL

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)
47558885FEC44F9...

Print Owner's Name: Jeffrey J. Peck

ISUN COMMERCIAL

Agreed to by: DocuSigned by: John P. Sullivan (Signature), their CFO (Title)
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Print Owner's Name: John P. Sullivan

ISUN UTILITY, LLC

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)
47558885FEC44F9...

Print Owner's Name: Jeffrey J. Peck

ISUN UTILITY, LLC

Agreed to by: DocuSigned by: John P. Sullivan (Signature), their Member (Title)
8270428A5C28442...

Print Owner's Name: John P. Sullivan

PECK ELECTRIC CO.

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)
47558885FEC44F9...

Print Owner's Name: Jeffrey J. Peck



PECK ELECTRIC CO.

Agreed to by: DocuSigned by: John P. Sullivan (Signature), their CFO (Title)

Print Owner's Name: John P. Sullivan

SUNCOMMON, INC.

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)

Print Owner's Name: Jeffrey J. Peck

SUN CSA 36, LLC

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)

Print Owner's Name: Jeffrey J. Peck

PECK INVESTMENT PROPERTIES LLC

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)

Print Owner's Name: Jeffrey J. Peck

C.P. PROPERTY LLC

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)

Print Owner's Name: Jeffrey J. Peck

MEADOW'S EDGE, INC.

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)

Print Owner's Name: Jeffrey J. Peck

LIBERTY ELECTRIC CO

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Member (Title)

Print Owner's Name: Jeffrey J. Peck

PECK SOLAR

Agreed to by: DocuSigned by: Jeffrey J. Peck (Signature), their Owner (Title)

Print Owner's Name: Jeffrey J. Peck

Buyer: LendSpark Corporation

Agreed to by: DocuSigned by: [Signature] (Signature), its President (Title)

KINGDOM CAPITAL OFFERS AFFORDABLE FUNDING SOLUTIONS FOR ALL INDUSTRIES IN THE NATION.



SUMMARY

Attention: ISUN INDUSTRIAL LLC

P: (929) 202-5616
F: (718) 228-6409
SUBS@kingdomcapital.com
www.kingdomcapital.com

Thursday, January 4, 2024

Terms:

AMOUNT	WEEKLY	Payback
\$ 1,200,000.00	\$ 40,200.00	\$ 1,608,000.00
AMOUNT	WEEKLY	Payback
\$ 1,200,000.00	\$ 40,200.00	\$ 1,608,000.00
TOTAL:	Total Weekly	
\$ 2,400,000.00	\$ 80,400.00	\$ 3,216,000.00



CEDAR ADVANCE LLC
 5401 Collins Avenue CU-9A
 Miami Beach, FL 33140 (786) 605-8900
 reconciliations@cedaradvance.com

STANDARD MERCHANT CASH ADVANCE AGREEMENT

This is an Agreement dated 01/04/2024 by and between CEDAR ADVANCE LLC ("CEDAR"), inclusive of its successors and assigns, and each merchant listed below ("Merchant").

Merchant's Legal Name: ISUN INDUSTRIAL LLC AND ALL ENTITIES UNDER EXHIBIT A

D/B/A: ISUN INDUSTRIAL LLC

Fed ID #: 47-2150172

Type of Entity: ☐ Corporation ☒ Limited Liability Company ☐ Partnership ☐ Sole Proprietorship

Business Address: 400 AVENUE D STE 10

City: WILLISTON

State: VT

Zip: 05495

Contact Address: 618 BRENNAN WOODS DRIVE

City: WILLISTON

State: VT

Zip: 05495

E-mail Address: _____

Phone Number: _____

Purchase Price <i>This is the amount being paid to Merchant(s) for the Receivables Purchased Amount (defined below). This amount may be paid in installments if there is an Addendum stating that it will be paid in installments.</i>	\$ <u>1,200,000.00</u>
Receivables Purchased Amount <i>This is the amount of Receivables (defined in Section 1 below) being sold. This amount may be sold in installments if there is an Addendum stating that it will be sold in installments.</i>	\$ <u>1,608,000.00</u>
Specified Percentage <i>This is the percentage of Receivables (defined below) to be delivered until the Receivables Purchased Amount is paid in full.</i>	<u>5</u> %
Net Funds Provided <i>This is the net amount being paid to or on behalf of Merchant(s) after deduction of applicable fees listed in Section 2 below. This amount may be paid in installments if there is an Addendum stating that it will be paid in installments.</i>	\$ <u>1,140,000.00</u>
Net Amount to Be Received Directly by Merchant(s) <i>This is the net amount being received directly by Merchant(s) after deduction of applicable fees listed in Section 2 below and the payment of any part of the Purchase Price elsewhere pursuant to any Addendum to this Agreement. This amount may be paid in installments if there is an Addendum stating that it will be paid in installments. If any deduction is being made from the Purchase Price to pay off another obligation by Merchant(s), then the Net Amount to be Received Directly by Merchant(s) is subject to change based on any change in the amount of the other obligation(s) to be paid off.</i>	\$ <u>558,125.10</u>
Initial Estimated Payment <i>This is the initial amount of periodic payments collected from Merchant(s) as an approximation of no more than the Specified Percentage of the Receivables and is subject to reconciliation as set forth in Section 4 below.</i>	\$ <u>40,200.00</u> per <u>WEEK</u>

I have read and agree to the terms and conditions set forth above:

 Digitally signed by JEFFREY J PECK
2024.01.04 10:05:11

Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT**TERMS AND CONDITIONS**

1. Sale of Future Receipts. Merchant(s) hereby sell, assign, and transfer to CEDAR (making CEDAR the absolute owner) in consideration of the funds provided ("Purchase Price") specified above, all of each Merchant's future accounts, contract rights, and other obligations arising from or relating to the payment of monies from each Merchant's customers and/or other third party payors (the "Receivables", defined as all payments made by cash, check, credit or debit card, electronic transfer, or other form of monetary payment in the ordinary course of each merchant's business), for the payment of each Merchant's sale of goods or services until the amount specified above (the "Receivables Purchased Amount") has been delivered by Merchant(s) to CEDAR. Each Merchant hereby acknowledges that until the Receivables Purchased Amount has been received in full by CEDAR, each Merchant's Receivables, up to the balance of the Receivables Purchased Amount, are the property of CEDAR and not the property of any Merchant. Each Merchant agrees that it is a fiduciary for CEDAR and that each Merchant will hold Receivables in trust for CEDAR in its capacity as a fiduciary for CEDAR.

The Receivables Purchased Amount shall be paid to CEDAR by each Merchant irrevocably authorizing only one depositing account acceptable to CEDAR (the "Account") to remit the percentage specified above (the "Specified Percentage") of each Merchant's settlement amounts due from each transaction, until such time as CEDAR receives payment in full of the Receivables Purchased Amount. Each Merchant hereby authorizes CEDAR to ACH debit the specified remittances and any applicable fees listed in Section 2 from the Account on a daily basis as of the next business day after the date of this Agreement and will provide CEDAR with all required access codes and monthly bank statements. Each Merchant understands that it will be held responsible for any fees resulting from a rejected ACH attempt or an Event of Default (see Section 2). CEDAR is not responsible for any overdrafts or rejected transactions that may result from CEDAR's ACH debiting the Specified Percentage amounts under the terms of this Agreement. Each Merchant acknowledges and agrees that until the amount of the Receivables collected by CEDAR exceeds the amount of the Purchase Price, CEDAR will be permitted not treat any amount collected under this Agreement as profit for taxation and accounting purposes.

2. Additional Fees. In addition to the Receivables Purchased Amount, each Merchant will be held responsible to CEDAR for the following fees, where applicable:

A. \$60,000.00 - to cover underwriting, the ACH debit program, and expenses related to the procurement and initiation of the transactions encompassed by this Agreement. This will be deducted from payment of the Purchase Price.

B. Wire Fee - Merchant(s) shall receive funding electronically to the Account and will be charged \$50.00 for a Fed Wire or \$0.00 for a bank ACH. This will be deducted from payment of the Purchase Price.

C. NSF/Rejected ACH Fee - \$50.00 for each time an ACH debit to the Account by CEDAR is returned or otherwise rejected. No Merchant will be held responsible for such a fee if any Merchant gives CEDAR notice no more than one business day in advance that the Account will have insufficient funds to be debited by CEDAR and no Merchant is otherwise in default of the terms of the Agreement. Each such fee may be deducted from any payment collected by CEDAR or may be collected in addition to any other payment collected by CEDAR under this Agreement.

D. Blocked Account/Default - \$2,500.00 - If an Event of Default has taken place under Section 30.

E. UCC Fee - \$195.00 - to cover CEDAR filing a UCC-1 financing statement to secure its interest in the Receivables Purchased Amount. A \$195.00 UCC termination fee will be charged if a UCC filing is terminated.

F. \$0.00 - legal compliance with applicable disclosure laws and regulations. This will be deducted from payment of the Purchase Price.

G. Court costs, arbitration fees, collection agency fees, attorney fees, expert fees, and any other expenses incurred in litigation, arbitration, or the enforcement of any of CEDAR's legal or contractual rights against each Merchant and/or each Guarantor, if required, as explained in other Sections of this Agreement.

3. Estimated Payments. Instead of debiting the Specified Percentage of Merchant's Receivables, CEDAR may instead debit \$40,200.00 ("Estimated Payment") from the Account every WEEK. The Estimated Payment is intended to be an approximation of no more than the Specified Percentage, subject to reconciliation.

4. Reconciliations. Any Merchant may contact CEDAR's Reconciliation Department to request that CEDAR conduct a reconciliation in order to ensure that the amount that CEDAR has collected equals the Specified Percentage of Merchant(s)'s Receivables under this Agreement. A request for a reconciliation by any Merchant must be made by giving written notice of the request to CEDAR or by sending an e-mail to reconciliations@cedaradvance.com stating that a reconciliation is being requested. In order to effectuate the reconciliation, any Merchant must produce with its request any

I have read and agree to the terms and conditions set forth above:

Digitally signed by
JEFFREY J PECK
DN: cn=JEFFREY J PECK, o=
 Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

and all bank statements covering the period from the date of this Agreement through the date of the request for a reconciliation as well as Merchant's account reports showing transactions in the month to date, or other documents or reports available to Merchant for verification of its revenues, or, if available, the login and password for the Account. Once, notified of a request for reconciliation, CEDAR will instruct its ACH processor to pause ACH debits from Merchant's account until the reconciliation process is complete. CEDAR will complete each reconciliation requested by any Merchant within two business days after receipt of proper notice of a request for one accompanied by the information and documents required for it. CEDAR may also conduct a reconciliation on its own at any time by reviewing Merchant(s)'s Receivables covering the period from the date of this Agreement until the date of initiation of the reconciliation, each such reconciliation will be completed within two business days after its initiation, and CEDAR will give each Merchant written notice of the determination made based on the reconciliation within one business day after its completion. If a reconciliation determines that CEDAR collected more than it was entitled to, then CEDAR will credit to the Account all amounts to which CEDAR was not entitled and, if there is an Estimated Payment, decrease the amount of the Estimated Payment so that it is consistent with the Specified Percentage of Merchant(s)'s Receivables from the date of the Agreement through the date of the reconciliation. If a reconciliation determines that CEDAR collected less than it was entitled to, then CEDAR will debit from the Account all additional amounts to which CEDAR was entitled and, if there is an Estimated Payment, increase the amount of the Estimated Payment so that it is consistent with the Specified Percentage of Merchant(s)'s Receivables from the date of the Agreement through the date of the reconciliation. For the avoidance of doubt, in the event Merchant desires reconciliation it shall be Merchant's sole responsibility to initiate the reconciliation process in this Section 4. Nothing herein limits the amount of times that a reconciliation may be requested or conducted.

5. Merchant Deposit Agreement. Merchant(s) shall appoint a bank acceptable to CEDAR, to obtain electronic fund transfer services and/or "ACH" payments. Merchant(s) shall provide CEDAR and/or its authorized agent with all of the information, authorizations, and passwords necessary to verify each Merchant's Receivables. Merchant(s) shall authorize CEDAR and/or its agent(s) to deduct the amounts owed to CEDAR for the Receivables as specified herein from settlement amounts which would otherwise be due to each Merchant and to pay such amounts to CEDAR by permitting CEDAR to withdraw the Specified Percentage by ACH debiting of the account. The authorization shall be irrevocable as to each Merchant absent CEDAR's written consent until the Receivables Purchased Amount has been paid in full or the Merchant becomes bankrupt or goes out of business without any prior default under this Agreement.

6. Term of Agreement. The term of this Agreement is indefinite and shall continue until CEDAR receives the full Receivables Purchased Amount, or earlier if terminated pursuant to any provision of this Agreement. The provisions of Sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 12, 13, 14, 15, 16, 17, 18, 22, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, and 52 shall survive any termination of this Agreement.

7. Ordinary Course of Business. Each Merchant acknowledges that it is entering into this Agreement in the ordinary course of its business and that the payments to be made from each Merchant to CEDAR under this Agreement are being made in the ordinary course of each Merchant's business.

8. Financial Condition. Each Merchant and each Guarantor (Guarantor being defined as each signatory to the Guarantee of this Agreement) authorizes CEDAR and its agent(s) to investigate each Merchant's financial responsibility and history, and will provide to CEDAR any bank or financial statements, tax returns, and other documents and records, as CEDAR deems necessary prior to or at any time after execution of this Agreement. A photocopy of this authorization will be deemed as acceptable for release of financial information. CEDAR is authorized to update such information and financial profiles from time to time as it deems appropriate.

9. Monitoring, Recording, and Electronic Communications. CEDAR may choose to monitor and/or record telephone calls with any Merchant and its owners, employees, and agents. By signing this Agreement, each Merchant agrees that any call between CEDAR and any Merchant or its representatives may be monitored and/or recorded. Each Merchant and each Guarantor grants access for CEDAR to enter any Merchant's premises and to observe any Merchant's premises without any prior notice to any Merchant at any time after execution of this Agreement.

CEDAR may use automated telephone dialing, text messaging systems, and e-mail to provide messages to Merchant(s), Owner(s) (Owner being defined as each person who signs this Agreement on behalf of a Merchant), and Guarantor(s) about Merchant(s)'s account. Telephone messages may be played by a machine automatically when the

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

telephone is answered, whether answered by an Owner, a Guarantor, or someone else. These messages may also be recorded by the recipient's answering machine or voice mail. Each Merchant, each Owner, and each Guarantor gives CEDAR permission to call or send a text message to any telephone number given to CEDAR in connection with this Agreement and to play pre-recorded messages and/or send text messages with information about this Agreement and/or any Merchant's account over the phone. Each Merchant, each Owner, and each Guarantor also gives CEDAR permission to communicate such information to them by e-mail. Each Merchant, each Owner, and each Guarantor agree that CEDAR will not be liable to any of them for any such calls or electronic communications, even if information is communicated to an unintended recipient. Each Merchant, each Owner, and each Guarantor acknowledge that when they receive such calls or electronic communications, they may incur a charge from the company that provides them with telecommunications, wireless, and/or Internet services, and that CEDAR has no liability for any such charges.

10. Accuracy of Information Furnished by Merchant and Investigation Thereof. To the extent set forth herein, each of the parties is obligated upon his, her, or its execution of the Agreement to all terms of the Agreement. Each Merchant and each Owner signing this Agreement represent that he or she is authorized to sign this Agreement for each Merchant, legally binding said Merchant to its obligations under this Agreement and that the information provided herein and in all of CEDAR's documents, forms, and recorded interview(s) is true, accurate, and complete in all respects. CEDAR may produce a monthly statement reflecting the delivery of the Specified Percentage of Receivables from Merchant(s) to CEDAR. An investigative report may be made in connection with the Agreement. Each Merchant and each Owner signing this Agreement authorize CEDAR, its agents and representatives, and any credit-reporting agency engaged by CEDAR, to (i) investigate any references given or any other statements obtained from or about each Merchant or any of its Owners for the purpose of this Agreement, and (ii) pull credit report at any time now or for so long as any Merchant and/or Owners(s) continue to have any obligation to CEDAR under this Agreement or for CEDAR's ability to determine any Merchant's eligibility to enter into any future agreement with CEDAR. Any misrepresentation made by any Merchant or Owner in connection with this Agreement may constitute a separate claim for fraud or intentional misrepresentation.

Authorization for soft pulls: Each Merchant and each Owner understands that by signing this Agreement, they are providing 'written instructions' to CEDAR under the Fair Credit Reporting Act, authorizing CEDAR to obtain information from their personal credit profile or other information from Experian, TransUnion, and Equifax. Each Merchant and each Guarantor authorizes CEDAR to obtain such information solely to conduct a pre-qualification for credit.

Authorization for hard pulls: Each Merchant and each Owner understands that by signing this Agreement, they are providing 'written instructions' to CEDAR under the Fair Credit Reporting Act, authorizing CEDAR to obtain information from their personal credit profile or other information from Experian, TransUnion, and Equifax. Each Merchant and each Guarantor authorizes CEDAR to obtain such information in accordance with a merchant cash advance application.

11. Transactional History. Each Merchant authorizes its bank to provide CEDAR with its banking and/or credit card processing history.

12. Indemnification. Each Merchant and each Guarantor jointly and severally indemnify and hold harmless each Merchant's credit card and check processors (collectively, "Processor") and Processor's officers, directors, and shareholders against all losses, damages, claims, liabilities, and expenses (including reasonable attorney and expert fees) incurred by Processor resulting from (a) claims asserted by CEDAR for monies owed to CEDAR from any Merchant and (b) actions taken by any Processor in reliance upon information or instructions provided by CEDAR.

13. No Liability. In no event will CEDAR be liable for any claims asserted by any Merchant under any legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect, or consequential damages, each of which is waived by each Merchant and each Guarantor.

14. Sale of Receivables. Each Merchant and CEDAR agree that the Purchase Price under this Agreement is in exchange for the Receivables Purchased Amount and that such Purchase Price is not intended to be, nor shall it be construed as a loan from CEDAR to any Merchant. CEDAR is entering into this Agreement knowing the risks that each Merchant's business may decline or fail, resulting in CEDAR not receiving the Receivables Purchased Amount. Any Merchant going bankrupt, going out of business, or experiencing a slowdown in business or a delay in collecting Receivables will not on its own without anything more be considered a breach of this Agreement. Each Merchant agrees that the Purchase Price in exchange for the Receivables pursuant to this Agreement equals the fair market value of such

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

Receivables. CEDAR has purchased and shall own all the Receivables described in this Agreement up to the full Receivables Purchased Amount as the Receivables are created. Payments made to CEDAR in respect to the full amount of the Receivables shall be conditioned upon each Merchant's sale of products and services and the payment therefor by each Merchant's customers in the manner provided in this Agreement. Each Merchant and each Guarantor acknowledges that CEDAR does not purchase, sell, or offer to purchase or sell securities and that this Agreement is not a security, an offer to sell any security, or a solicitation of an offer to buy any security. Although certain jurisdictions require the disclosure of an Annual Percentage Rate or APR in connection with this Agreement, those disclosures do not change the fact that the transaction encompassed by this Agreement is not a loan and does not have an interest rate.

15. Power of Attorney. Each Merchant irrevocably appoints CEDAR as its agent and attorney-in-fact with full authority to take any action or execute any instrument or document to settle all obligations due to CEDAR for the benefit of each Merchant and only in order to prevent the occurrence of an Event of Default (as described in Section 30). If an Event of Default takes place under Section 30, then each Merchant irrevocably appoints CEDAR as its agent and attorney-in-fact with full authority to take any action or execute any instrument or document to settle all obligations due to CEDAR from each Merchant, including without limitation (i) to collect monies due or to become due under or in respect of any of the Collateral (which is defined in Section 29); (ii) to receive, endorse and collect any checks, notes, drafts, instruments, documents, or chattel paper in connection with clause (i) above; (iii) to sign each Merchant's name on any invoice, bill of lading, or assignment directing customers or account debtors to make payment directly to CEDAR; and (iv) to file any claims or take any action or institute any proceeding which CEDAR may deem necessary for the collection of any of the unpaid Receivables Purchased Amount from the Collateral, or otherwise to enforce its rights with respect to payment of the Receivables Purchased Amount.

16. Protections Against Default. The following Protections 1 through 6 may be invoked by CEDAR, immediately and without notice to any Merchant if any Event of Default listed in Section 30 has occurred.

Protection 1: The full uncollected Receivables Purchased Amount plus all fees due under this Agreement may become due and payable in full immediately.

Protection 2. CEDAR may enforce the provisions of the Guarantee against Guarantor.

Protection 3. CEDAR may enforce its security interest in the Collateral identified in Section 29.

Protection 4. CEDAR may proceed to protect and enforce its rights and remedies by litigation or arbitration.

Protection 5. CEDAR may debit any Merchant's depository accounts wherever situated by means of ACH debit or electronic or facsimile signature on a computer-generated check drawn on any Merchant's bank account or otherwise, in an amount consistent with the terms of this Agreement.

Protection 6. CEDAR will have the right, without waiving any of its rights and remedies and without notice to any Merchant and/or Guarantor, to notify each Merchant's credit card and/or check processor and account debtor(s) of the sale of Receivables hereunder and to direct such credit card processor and account debtor(s) to make payment to CEDAR of all or any portion of the amounts received by such credit card processor and account debtor(s) on behalf of each Merchant. Each Merchant hereby grants to CEDAR an irrevocable power-of-attorney, which power-of-attorney will be coupled with an interest, and hereby appoints CEDAR and its representatives as each Merchant's attorney-in-fact to take any and all action necessary to direct such new or additional credit card and/or check processor and account debtor(s) to make payment to CEDAR as contemplated by this Section.

17. Protection of Information. Each Merchant and each person signing this Agreement on behalf of each Merchant and/or as Owner, in respect of himself or herself personally, authorizes CEDAR to disclose information concerning each Merchant, Owner and/or Guarantor's credit standing and business conduct to agents, affiliates, subsidiaries, and credit reporting bureaus. Each Merchant, Guarantor, and Owner hereby waives to the maximum extent permitted by law any claim for damages against CEDAR or any of its affiliates relating to any (i) investigation undertaken by or on behalf of CEDAR as permitted by this Agreement or (ii) disclosure of information as permitted by this Agreement.

18. Confidentiality. Each Merchant understands and agrees that the terms and conditions of the products and services offered by CEDAR, including this Agreement and any other CEDAR documents (collectively, "Confidential Information") are proprietary and confidential information of CEDAR. Accordingly, unless disclosure is required by law or court order, Merchant(s) shall not disclose Confidential Information of CEDAR to any person other than an attorney, accountant, financial advisor, or employee of any Merchant who needs to know such information for the purpose of advising

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

any Merchant ("Advisor"), provided such Advisor uses such information solely for the purpose of advising any Merchant and first agrees in writing to be bound by the terms of this Section 18.

19. D/B/As. Each Merchant hereby acknowledges and agrees that CEDAR may be using "doing business as" or "d/b/a" names in connection with various matters relating to the transaction between CEDAR and each Merchant, including the filing of UCC-1 financing statements and other notices or filings.

20. Financial Condition and Financial Information. Each Merchant represents, warrants, and covenants that its bank and financial statements, copies of which have been furnished to CEDAR, and future statements which will be furnished hereafter at the request of CEDAR, fairly represent the financial condition of each Merchant at such dates, and that since those dates there have been no material adverse changes, financial or otherwise, in such condition, operation, or ownership of any Merchant. Each Merchant has a continuing affirmative obligation to advise CEDAR of any material adverse change in its financial condition, operation, or ownership that may have an effect on any Merchant's ability to generate Receivables or perform its obligations under this Agreement.

21. Governmental Approvals. Each Merchant represents, warrants, and covenants that it is in compliance and shall comply with all laws and has valid permits, authorizations, and licenses to own, operate, and lease its properties and to conduct the business in which it is presently engaged.

22. Authorization. Each Merchant represents, warrants, and covenants that it and each person signing this Agreement on behalf of each Merchant has full power and authority to incur and perform the obligations under this Agreement, all of which have been duly authorized.

23. Electronic Check Processing Agreement. Each Merchant represents, warrants, and covenants that it will not, without CEDAR's prior written consent, change its Processor, add terminals, change its financial institution or bank account, or take any other action that could have any adverse effect upon any Merchant's obligations under this Agreement.

24. Change of Name or Location. Each Merchant represents, warrants, and covenants that it will not conduct its business under any name other than as disclosed to CEDAR or change any place(s) of its business without giving prior written notice to CEDAR.

25. No Bankruptcy. Each Merchant represents, warrants, and covenants that as of the date of this Agreement, it does not contemplate and has not filed any petition for bankruptcy protection under Title 11 of the United States Code and there has been no involuntary petition brought or pending against any Merchant. Each Merchant further warrants that it does not anticipate filing any such bankruptcy petition and it does not anticipate that an involuntary petition will be filed against it.

26. Unencumbered Receivables. Each Merchant represents, warrants, and covenants that it has good, complete, and marketable title to all Receivables, free and clear of any and all liabilities, liens, claims, changes, restrictions, conditions, options, rights, mortgages, security interests, equities, pledges, and encumbrances of any kind or nature whatsoever or any other rights or interests that may be inconsistent with this Agreement or adverse to the interests of CEDAR, other than any for which CEDAR has actual or constructive knowledge or inquiry notice as of the date of this Agreement.

27. Stacking. Each Merchant represents, warrants, and covenants that it will not enter into with any party other than CEDAR any arrangement, agreement, or commitment that relates to or involves the Receivables, whether in the form of a purchase of, a loan against, collateral against, or the sale or purchase of credits against Receivables without the prior written consent of CEDAR.

28. Business Purpose. Each Merchant represents, warrants, and covenants that it is a valid business in good standing under the laws of the jurisdictions in which it is organized and/or operates, and each Merchant is entering into this Agreement for business purposes and not as a consumer for personal, family, or household purposes.

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

29. Security Interest. To secure each Merchant's performance obligations to CEDAR under this Agreement and any future agreement with CEDAR, each Merchant hereby grants to CEDAR a security interest in collateral (the "Collateral"), that is defined as collectively: (a) all accounts, including without limitation, all deposit accounts, accounts-receivable, and other receivables, as those terms are defined by Article 9 of the Uniform Commercial Code (the "UCC"), now or hereafter owned or acquired by any Merchant; and (b) all proceeds, as that term is defined by Article 9 of the UCC. The parties acknowledge and agree that any security interest granted to CEDAR under any other agreement between any Merchant or Guarantor and CEDAR (the "Cross-Collateral") will secure the obligations hereunder and under this Agreement. Negative Pledge: Each Merchant agrees not to create, incur, assume, or permit to exist, directly or indirectly, any lien on or with respect to any of the Collateral or the Cross-Collateral, as applicable.

Each Merchant agrees to execute any documents or take any action in connection with this Agreement as CEDAR deems necessary to perfect or maintain CEDAR's first priority security interest in the Collateral and the Cross-Collateral, including the execution of any account control agreements. Each Merchant hereby authorizes CEDAR to file any financing statements deemed necessary by CEDAR to perfect or maintain CEDAR's security interest, which financing statements may contain notification that each Merchant has granted a negative pledge to CEDAR with respect to the Collateral and the Cross-Collateral, and that any subsequent lienor may be tortiously interfering with CEDAR's rights. Each Merchant shall be liable for and CEDAR may charge and collect all costs and expenses, including but not limited to attorney fees, which may be incurred by CEDAR in protecting, preserving, and enforcing CEDAR's security interest and rights. Each Merchant further acknowledges that CEDAR may use another legal name and/or D/B/A or an agent when designating the Secured Party when CEDAR files the above-referenced financing statement(s).

30. Events of Default. An "Event of Default" may be considered to have taken place if any of the following occur:

- (1) Any representation or warranty by any Merchant to CEDAR proves to have been made intentionally false or misleading in any material respect when made;
- (2) Any Merchant causes any ACH debit to the Account by CEDAR to be blocked or stopped without providing any advance written notice to CEDAR with an alternative method for CEDAR to collect the blocked or stopped payment, which notice may be given by e-mail to reconciliations@cedaradvance.com;
- (3) Any Merchant intentionally prevents CEDAR from collecting any part of the Receivables Purchased Amount; or
- (4) Any Merchant causes any ACH debit to the Account by any person or entity other than CEDAR to be stopped or otherwise returned that would result in an ACH Return Code of R08, R10, or R29 and that Merchant does not within two business days thereafter provide CEDAR with written notice thereof explaining why that Merchant caused the ACH debit to be stopped or otherwise returned, which notice may be given by e-mail to reconciliations@cedaradvance.com.

31. Remedies. In case any Event of Default occurs and is not waived, CEDAR may proceed to protect and enforce its rights or remedies by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement, or other provision contained herein, or to enforce the discharge of each Merchant's obligations hereunder, or any other legal or equitable right or remedy. All rights, powers, and remedies of CEDAR in connection with this Agreement, including each Protection listed in Section 16, may be exercised at any time by CEDAR after the occurrence of an Event of Default, are cumulative and not exclusive, and will be in addition to any other rights, powers, or remedies provided by law or equity. In case any Event of Default occurs and is not waived, CEDAR may elect that Merchant(s) be required to pay to CEDAR 25% of the unpaid balance of the Receivables Purchased Amount as liquidated damages for any reasonable expenses incurred by CEDAR in connection with recovering the unpaid balance of the Receivables Purchased Amount ("Reasonable Expenses") and all Merchant(s) and all Guarantor(s) agree that the Reasonable Expenses bear a reasonable relationship to CEDAR's actual expenses incurred in connection with recovering the unpaid balance of the Receivables Purchased Amount.

32. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, except that Merchant(s) shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of CEDAR, which consent may be withheld in CEDAR's sole discretion. CEDAR may assign, transfer, or sell its rights under this Agreement, including, without limitation, its rights to receive the Receivables Purchased Amount, and its rights under Section 29 of this Agreement, the Guarantee, and any other agreement, instrument, or document executed in connection with the transactions contemplated by this Agreement (a "Related Agreement"), or delegate its duties hereunder or thereunder, either in whole or in part. From and after the effective date of any such

I have read and agree to the terms and conditions set forth above:

Digitally signed by
JEFFREY J PECK
2024.04.01 10:04:11

Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

assignment or transfer by CEDAR, whether or not any Merchant has actual notice thereof, this Agreement and each Related Agreement shall be deemed amended and modified (without the need for any further action on the part of any Merchant or CEDAR) such that the assignee shall be deemed a party to this Agreement and any such Related Agreement and, to the extent provided in the assignment document between CEDAR and such assignee (the "Assignment Agreement"), have the rights and obligations of CEDAR under this Agreement and such Related Agreements with respect to the portion of the Receivables Purchased Amount set forth in such Assignment Agreement, including but not limited to rights in the Receivables, Collateral and Additional Collateral, the benefit of each Guarantor's guaranty regarding the full and prompt performance of every obligation that is a subject of the Guarantee, CEDAR's rights under Section 16 of this Agreement (Protections Against Default), and to receive damages from any Merchant following a breach of this Agreement by any Merchant. In connection with such assignment, CEDAR may disclose all information that CEDAR has relating to any Merchant or its business. Each Merchant agrees to acknowledge any such assignment in writing upon CEDAR's request.

33. Notices. All notices, requests, consents, demands, and other communications hereunder shall be delivered by certified mail, return receipt requested, or by overnight delivery with signature confirmation to the respective parties to this Agreement at their addresses set forth in this Agreement and shall become effective only upon receipt. Written notice may also be given to any Merchant or Guarantor by e-mail to the E-mail Address listed on the first page of this Agreement or by text message to the Phone Number listed on the first page of this Agreement if that phone number is for a mobile phone. Each Merchant and each Guarantor must set its spam or junk mail filter to accept e-mails sent by reconciliations@cedaradvance.com and its domain. This Section is not applicable to service of process or notices in any legal proceedings.

34. Choice of Law. Each Merchant acknowledges and agrees that this Agreement was made in the State of Florida, that the Purchase Price is being paid by CEDAR in the State of Florida, that the Receivables Purchased Amount is being delivered to CEDAR in the State of Florida, and that the State of Florida has a reasonable relationship to the transactions encompassed by this Agreement. This Agreement, any dispute or claim relating hereto, whether sounding in contract, tort, law, equity, or otherwise, the relationship between CEDAR and each Merchant, and the relationship between CEDAR and each Guarantor will be governed by and construed in accordance with the laws of the State of Florida, without regard to any applicable principles of conflict of laws. Each Merchant represents that it does not have a principal place of business located in the Commonwealth of Virginia and that therefore the provisions of Chapter 22.1 of Title 6.2 of the Virginia Code are not applicable to this Agreement. Each Merchant agrees that the provisions of Division 9.5 of the California Financial Code are not applicable to this Agreement if no Business Address listed on the first page of this Agreement or in any addendum hereto is located in the State of California.

35. Venue and Forum Selection. This Agreement, and any dispute arising out of or relating to this Agreement or the parties' relationship, shall be governed by and construed in accordance with the laws of the State of Florida, without regard to any applicable principles of conflicts of law. Any suit, action, or proceeding arising out of or relating to this Agreement or the transaction contemplated herein or the interpretation, performance, or breach hereof, shall be instituted in any state court sitting in the State of Florida (the "Acceptable Forums"), provided that CEDAR may institute suit in another forum. Merchant, each Guarantor and each Owner agree that the Acceptable Forums are convenient to them, and submit to the personal jurisdiction of the Acceptable Forums and waive any and all objections to jurisdiction or venue in the Acceptable Forums. Should a proceeding be initiated by Merchant, any Guarantor or any Owner in any other forum, Merchant, each Guarantor and each Owner waives any right to oppose any motion or application made by CEDAR to dismiss such proceeding, to remove and/or transfer the proceeding to an Acceptable Forum, and for an anti-suit injunction against such proceeding (which CEDAR may make in the Acceptable Forums). ADDITIONALLY, MERCHANT, EACH OWNER AND EACH GUARANTOR WAIVE PERSONAL SERVICE OF ANY SUMMONS AND/OR COMPLAINT OR OTHER PROCESS TO COMMENCE ANY LITIGATION AND AGREE THAT SERVICE OF SUCH DOCUMENTS SHALL BE EFFECTIVE AND COMPLETE IF SENT BY PRIORITY MAIL OR FIRST CLASS MAIL TO THE MAILING ADDRESS(ES) SET FORTH FOR MERCHANT ABOVE, AND EMAILED TO THE EMAIL ADDRESS, LISTED ON PAGE 1 OF THIS AGREEMENT OR THE UPDATED MAILING AND EMAIL ADDRESS IN ACCORDANCE WITH PARAGRAPH 33. SERVICE SHALL BE EFFECTIVE AND COMPLETE 5 DAYS AFTER THE MAILING. MERCHANT WILL THEN HAVE 30 CALENDAR DAYS AFTER SERVICE IS COMPLETE IN WHICH TO APPEAR IN THE ACTION OR PROCEEDING.

36. Jury Waiver. The parties agree to waive trial by jury in any dispute between them.

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

37. Counterclaim Waiver. In any litigation or arbitration commenced by CEDAR, each Merchant and each Guarantor will not be permitted to interpose any counterclaim.

38. Statutes of Limitations. Each Merchant and each Guarantor agree that any claim, whether sounding in contract, tort, law, equity, or otherwise, that is not asserted against CEDAR within one year after its accrual will be time barred. Notwithstanding any provision in this Agreement to the contrary, each Merchant and each Guarantor agree that any objection by any of them to the jurisdiction of an arbitrator or to the arbitrability of the dispute and any application made by any of them to stay an arbitration initiated against any of them by CEDAR will be time barred if made more than 20 days after receipt of the demand for arbitration.

39. Costs and Legal Fees. If an Event of Default occurs or CEDAR prevails in any litigation or arbitration with any Merchant or any Guarantor, then each Merchant and each Guarantor must pay CEDAR's reasonable attorney fees, which may include a contingency fee of up to 40% of the amount claimed, as well as administrative or filing fees and arbitrator compensation in any arbitration, expert witness fees, and costs of suit.

40. Prejudgment and Postjudgment Interest. If CEDAR becomes entitled to the entry of a judgment against any Merchant or any Guarantor, then CEDAR will be entitled to the recovery of prejudgment interest at a rate of 24% per annum (or 16% per annum if any Merchant is a sole proprietorship), or the maximum rate permitted by applicable law if less, and upon entry of any such judgment, it will accrue interest at a postjudgment rate of 24% per annum (or 16% per annum if any Merchant is a sole proprietorship), or the maximum rate permitted by applicable law if less, which rate will govern over the statutory rate of interest up until actual satisfaction of the judgment.

41. Class Action Waiver. CEDAR, each Merchant, and each Guarantor agree that they may bring claims against each other relating to this Agreement only in their individual capacities, and not as a plaintiff or class action member in any purported class or representative proceedings.

42. Arbitration. CEDAR HAS THE RIGHT TO REQUEST THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN CEDAR AND MERCHANT, ANY GUARANTOR OR ANY OWNER, WHETHER ARISING OUT OF OR RELATING TO THE CONSTRUCTION AND INTERPRETATION OF THIS AGREEMENT OR OTHERWISE (INCLUDING WITHOUT LIMITATION CLAIMS FOR FRAUD, MISREPRESENTATION, INTENTIONAL TORT, NEGLIGENCE TORT OR UNDER ANY LOCAL, STATE OR FEDERAL STATUTE OR RULE), BE SUBMITTED TO ARBITRATION BEFORE EITHER (I) THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL RULES, OR (II) MEDIATION AND CIVIL ARBITRATION INC. D/B/A RAPIDRULING (WWW.RAPIDRULING.COM) IN ACCORDANCE WITH ITS COMMERCIAL ARBITRATION RULES. THE ARBITRATION SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT. THE ARBITRATION SHALL BE DEEMED TO BE LOCATED IN MIAMI-DADE COUNTY, FLORIDA, REGARDLESS OF THE LOCATION OF THE PARTIES OR ARBITRATOR. TO THE EXTENT PERMITTED BY THE ARBITRATOR RULES, THE ARBITRATION PROCEEDINGS SHALL PROCEED VIRTUALLY OR REMOTELY AND SHALL NOT REQUIRE THE PARTIES TO APPEAR IN-PERSON. ALL QUESTIONS CONCERNING ARBITRABILITY OF ANY DISPUTE SHALL BE DECIDED BY THE ARBITRATOR. CEDAR MAY DEMAND THAT SUCH DISPUTE BE SUBMITTED TO ARBITRATION EITHER BY (I) SENDING A WRITTEN NOTICE OF INTENT TO ARBITRATE TO ALL OTHER PARTIES IN ACCORDANCE WITH THE NOTICE PROVISION IN PARAGRAPH 33 OF THIS AGREEMENT, OR (II) SENDING A WRITTEN NOTICE OF INTENT TO ARBITRATE TO THE ATTORNEY OF RECORD FOR MERCHANT, ANY GUARANTOR OR ANY OWNER WHO HAS BROUGHT ANY ACTION OR PROCEEDING BEFORE ANY COURT OR TRIBUNAL AGAINST CEDAR. INITIALLY, THE PARTIES WILL SPLIT THE ARBITRATION FILING FEE, ADMINISTRATION FEE AND ARBITRATOR FEE. IF CEDAR PREVAILS IN ARBITRATION, THE ARBITRATOR MAY AWARD TO CEDAR ITS ATTORNEYS' FEES (IN ACCORDANCE WITH PARAGRAPH 39 OF THIS AGREEMENT) AND SHARE OF THE ARBITRATION FILING FEE, ADMINISTRATION FEE AND ARBITRATOR FEE. MERCHANT, ANY GUARANTOR AND ANY OWNER MAY OPT OUT OF THIS ARBITRATION PROVISION BY SENDING CEDAR A NOTICE THAT HE, SHE OR IT DOES NOT WANT THIS PROVISION TO APPLY IN ACCORDANCE WITH PARAGRAPH 33 WITHIN 14 DAYS AFTER THE EFFECTIVE DATE OF THIS AGREEMENT.

43. Service of Process. Each Merchant and each Guarantor consent to service of process and legal notices made

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

by First Class or Priority Mail delivered by the United States Postal Service and addressed to the Contact Address set forth on the first page of this Agreement or any other address(es) provided in writing to CEDAR by any Merchant or any Guarantor, and unless applicable law or rules provide otherwise, any such service will be deemed complete upon dispatch. Each Merchant and each Guarantor agrees that it will be precluded from asserting that it did not receive service of process or any other notice mailed to the Contact Address set forth on the first page of this Agreement if it does not furnish a certified mail return receipt signed by CEDAR demonstrating that CEDAR was provided with notice of a change in the Contact Address.

44. Survival of Representations, etc. All representations, warranties, and covenants herein shall survive the execution and delivery of this Agreement and shall continue in full force until all obligations under this Agreement shall have been satisfied in full and this Agreement shall have terminated unless specified otherwise in this Agreement.

45. Waiver. No failure on the part of CEDAR to exercise, and no delay in exercising, any right under this Agreement, shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided hereunder are cumulative and not exclusive of any remedies provided by law or equity.

46. Independent Sales Organizations/Brokers. Each Merchant and each Guarantor acknowledge that it may have been introduced to CEDAR by or received assistance in entering into this Agreement or its Guarantee from an independent sales organization or broker ("ISO"). Each Merchant and each Guarantor agree that any ISO is separate from and is not an agent or representative of CEDAR. Each Merchant and each Guarantor acknowledge that CEDAR is not bound by any promises or agreements made by any ISO that are not contained within this Agreement. Each Merchant and each Guarantor exculpate from liability and agree to hold harmless and indemnify CEDAR and its officers, directors, members, shareholders, employees, and agents from and against all losses, damages, claims, liabilities, and expenses (including reasonable attorney and expert fees) incurred by any Merchant or any Guarantor resulting from any act or omission by any ISO. Each Merchant and each Guarantor acknowledge that any fee that they paid to any ISO for its services is separate and apart from any payment under this Agreement. Each Merchant and each Guarantor acknowledge that CEDAR does not in any way require the use of an ISO and that any fees charged by any ISO are not required as a condition or incident to this Agreement.

47. Modifications; Agreements. No modification, amendment, waiver, or consent of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all parties.

48. Severability. If any provision of this Agreement is deemed invalid or unenforceable as written, it will be construed, to the greatest extent possible, in a manner which will render it valid and enforceable, and any limitation on the scope or duration of any such provision necessary to make it valid and enforceable will be deemed to be part thereof. If any provision of this Agreement is deemed void, all other provisions will remain in effect.

49. Headings. Headings of the various articles and/or sections of this Agreement are for convenience only and do not necessarily define, limit, describe, or construe the contents of such articles or sections.

50. Attorney Review. Each Merchant acknowledges that it has had an opportunity to review this Agreement and all addenda with counsel of its choosing before signing the documents or has chosen not to avail itself of the opportunity to do so.

51. Entire Agreement. This Agreement, inclusive of all addenda, if any, executed simultaneously herewith constitutes the full understanding of the parties to the transaction herein and may not be amended, modified, or canceled except in writing signed by all parties. Should there arise any conflict between this Agreement and any other document preceding it, this Agreement will govern. This Agreement does not affect any previous agreement between the parties unless such an agreement is specifically referenced herein. This Agreement will not be affected by any subsequent agreement between the parties unless this Agreement is specifically referenced therein.

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

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STANDARD MERCHANT CASH ADVANCE AGREEMENT

52. Counterparts; Fax and Electronic Signatures. This Agreement may be executed electronically and in counterparts. Facsimile and electronic copies of this Agreement will have the full force and effect of an original.

EACH UNDERSIGNED HEREBY ACCEPTS THE TERMS OF THIS AGREEMENT

FOR THE MERCHANT/OWNER (#1)

By: JEFFREY J PECK _____ JEFFREY J PECK
(Print Name) (Print Title) (Signature)

SS# 009-66-3788 _____ Driver License Number _____

FOR THE MERCHANT/OWNER (#2)

By: _____
(Print Name) (Print Title) (Signature)

SS# _____ Driver License Number _____

Approved for CEDAR ADVANCE LLC by: _____

STANDARD MERCHANT CASH ADVANCE AGREEMENT**GUARANTEE**

G1. Personal Guarantee of Performance. This is a personal guaranty of performance, dated 01/04/2024, of the Standard Merchant Cash Advance Agreement, dated 01/04/2024 ("Agreement"), inclusive of all addenda, if any, executed simultaneously therewith, by and between CEDAR ADVANCE LLC (CEDAR) and ISUN INDUSTRIAL LLC AND ALL ENTITIES UNDER EXHIBIT A ("Merchant"). Each undersigned Guarantor hereby guarantees each Merchant's performance of all of the representations, warranties, and covenants made by each Merchant to CEDAR in the Agreement, inclusive of all addenda, if any, executed simultaneously herewith, as the Agreement may be renewed, amended, extended, or otherwise modified (the "Guaranteed Obligations"). Each Guarantor's obligations are due at the time of any breach by any Merchant of any representation, warranty, or covenant made by any Merchant in the Agreement.

G2. Communications. CEDAR may use automated telephone dialing, text messaging systems, and e-mail to provide messages to Guarantor(s) about Merchant(s)'s account. Telephone messages may be played by a machine automatically when the telephone is answered, whether answered by an Owner, a Guarantor, or someone else. These messages may also be recorded by the recipient's answering machine or voice mail. Each Guarantor gives CEDAR permission to call or send a text message to any telephone number given to CEDAR in connection with this Agreement and to play pre-recorded messages and/or send text messages with information about this Agreement and/or any Merchant's account over the phone. Each Guarantor also gives CEDAR permission to communicate such information to them by e-mail. Each Guarantor agrees that CEDAR will not be liable to any of them for any such calls or electronic communications, even if information is communicated to an unintended recipient. Each Guarantor acknowledges that when they receive such calls or electronic communications, they may incur a charge from the company that provides them with telecommunications, wireless, and/or Internet services, and that CEDAR has no liability for any such charges.

G3. Guarantor Waivers. If any Event of Default takes place under the Agreement, then CEDAR may enforce its rights under this Guarantee without first seeking to obtain payment from any Merchant, any other guarantor, or any Collateral or Cross-Collateral CEDAR may hold pursuant to this Guarantee or any other agreement or guarantee. CEDAR does not have to notify any Guarantor of any of the following events and Guarantor(s) will not be released from its obligations under this Guarantee even if it is not notified of: (i) any Merchant's failure to pay timely any amount owed under the Agreement; (ii) any adverse change in any Merchant's financial condition or business; (iii) any sale or other disposition of any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; (iv) CEDAR's acceptance of the Agreement with any Merchant; and (v) any renewal, extension, or other modification of the Agreement or any Merchant's other obligations to CEDAR. In addition, CEDAR may take any of the following actions without releasing any Guarantor from any obligations under this Guarantee: (i) renew, extend, or otherwise modify the Agreement or any Merchant's other obligations to CEDAR; (ii) if there is more than one Merchant, release a Merchant from its obligations to CEDAR such that at least one Merchant remains obligated to CEDAR; (iii) sell, release, impair, waive, or otherwise fail to realize upon any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; and (iv) foreclose on any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations in a manner that impairs or precludes the right of Guarantor to obtain reimbursement for payment under the Agreement. Until the Receivables Purchased Amount and each Merchant's other obligations to CEDAR under the Agreement and this Guarantee are paid in full, each Guarantor shall not seek reimbursement from any Merchant or any other guarantor for any amounts paid by it under the Agreement. Each Guarantor permanently waives and shall not seek to exercise any of the following rights that it may have against any Merchant, any other guarantor, or any collateral provided by any Merchant or any other guarantor, for any amounts paid by it or acts performed by it under this Guarantee: (i) subrogation; (ii) reimbursement; (iii) performance; (iv) indemnification; or (v) contribution.

G4. Joint and Several Liability. The obligations hereunder of the persons or entities constituting each Guarantor under this Guarantee are joint and several.

G5. Choice of Law. Each Guarantor acknowledges and agrees that the Agreement and this Guarantee were made in the State of Florida, that the Purchase Price is being paid by CEDAR in the State of Florida, that the Receivables Purchased Amount is being delivered to CEDAR in the State of Florida, and that the State of Florida has a reasonable relationship to the transactions encompassed by the Agreement and this Guarantee. The Agreement, this Guarantee, any

I have read and agree to the terms and conditions set forth above:

Digitally signed by
JEFFREY J PECK
DN: cn=JEFFREY J PECK, o=ISUN INDUSTRIAL LLC, email=jpeck@isunindustrial.com, c=US

Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

dispute or claim relating to the Agreement or this Guarantee, whether sounding in contract, tort, law, equity, or otherwise, the relationship between CEDAR and each Merchant, and the relationship between CEDAR and each Guarantor will be governed by and construed in accordance with the laws of the State of Florida, without regard to any applicable principles of conflict of laws.

G6. Venue and Forum Selection. This Agreement, and any dispute arising out of or relating to this Agreement or the parties' relationship, shall be governed by and construed in accordance with the laws of the State of Florida, without regard to any applicable principles of conflicts of law. Any suit, action, or proceeding arising out of or relating to this Agreement or the transaction contemplated herein or the interpretation, performance, or breach hereof, shall be instituted in any state court sitting in the State of Florida (the "Acceptable Forums"), provided that CEDAR may institute suit in another forum. Merchant, each Guarantor and each Owner agree that the Acceptable Forums are convenient to them, and submit to the personal jurisdiction of the Acceptable Forums and waive any and all objections to jurisdiction or venue in the Acceptable Forums. Should a proceeding be initiated by Merchant, any Guarantor or any Owner in any other forum, Merchant, each Guarantor and each Owner waives any right to oppose any motion or application made by CEDAR to dismiss such proceeding, to remove and/or transfer the proceeding to an Acceptable Forum, and for an anti-suit injunction against such proceeding (which CEDAR may make in the Acceptable Forums). ADDITIONALLY, MERCHANT, EACH OWNER AND EACH GUARANTOR WAIVE PERSONAL SERVICE OF ANY SUMMONS AND/OR COMPLAINT OR OTHER PROCESS TO COMMENCE ANY LITIGATION AND AGREE THAT SERVICE OF SUCH DOCUMENTS SHALL BE EFFECTIVE AND COMPLETE IF SENT BY PRIORITY MAIL OR FIRST CLASS MAIL TO THE MAILING ADDRESS(ES) SET FORTH FOR MERCHANT ABOVE, AND EMAILED TO THE EMAIL ADDRESS, LISTED ON PAGE 1 OF THIS AGREEMENT OR THE UPDATED MAILING AND EMAIL ADDRESS IN ACCORDANCE WITH PARAGRAPH 33. SERVICE SHALL BE EFFECTIVE AND COMPLETE 5 DAYS AFTER THE MAILING. MERCHANT WILL THEN HAVE 30 CALENDAR DAYS AFTER SERVICE IS COMPLETE IN WHICH TO APPEAR IN THE ACTION OR PROCEEDING.

G7. Jury Waiver. Each Guarantor agrees to waive trial by jury in any dispute with CEDAR.

G8. Counterclaim Waiver. In any litigation or arbitration commenced by CEDAR, each Merchant and each Guarantor will not be permitted to interpose any counterclaim.

G9. Statutes of Limitations. Each Merchant and each Guarantor agree that any claim, whether sounding in contract, tort, law, equity, or otherwise, that is not asserted against CEDAR within one year of its accrual will be time barred. Notwithstanding any provision in the Agreement or this Guarantee to the contrary, each Merchant and each Guarantor agree that any application made by any of them to stay an arbitration initiated against any of them by CEDAR will be time barred if made more than 20 days after receipt of the demand for arbitration.

G10. Costs and Legal Fees. If an Event of Default occurs or CEDAR prevails in any litigation or arbitration with any Merchant or any Guarantor, then each Merchant and/or Guarantor must pay CEDAR's reasonable attorney fees, which may include a contingency fee of up to 40% of the amount claimed, as well as administrative or filing fees and arbitrator compensation in any arbitration, expert witness fees, and costs of suit.

G11. Prejudgment and Postjudgment Interest. If CEDAR becomes entitled to the entry of a judgment against any Merchant or any Guarantor, then CEDAR will be entitled to the recovery of prejudgment interest at a rate of 24% per annum (or 16% per annum if any Merchant is a sole proprietorship), or the maximum rate permitted by applicable law if less, and upon entry of any such judgment, it will accrue interest at a postjudgment rate of 24% per annum (or 16% per annum if any Merchant is a sole proprietorship), or the maximum rate permitted by applicable law if less, which rate will govern over the statutory rate of interest up until actual satisfaction of the judgment.

G12. Class Action Waiver. CEDAR, each Merchant, and each Guarantor agree that they may bring claims against each other relating to this Agreement only in their individual capacities, and not as a plaintiff or class action member in any purported class or representative proceedings.

G13. Arbitration. CEDAR HAS THE RIGHT TO REQUEST THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN CEDAR AND MERCHANT, ANY GUARANTOR OR ANY OWNER, WHETHER ARISING OUT OF OR

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

RELATING TO THE CONSTRUCTION AND INTERPRETATION OF THIS AGREEMENT OR OTHERWISE (INCLUDING WITHOUT LIMITATION CLAIMS FOR FRAUD, MISREPRESENTATION, INTENTIONAL TORT, NEGLIGENT TORT OR UNDER ANY LOCAL, STATE OR FEDERAL STATUTE OR RULE), BE SUBMITTED TO ARBITRATION BEFORE EITHER (I) THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL RULES, OR (II) MEDIATION AND CIVIL ARBITRATION INC. D/B/A RAPIDRULING (WWW.RAPIDRULING.COM) IN ACCORDANCE WITH ITS COMMERCIAL ARBITRATION RULES. THE ARBITRATION SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT. THE ARBITRATION SHALL BE DEEMED TO BE LOCATED IN MIAMI-DADE COUNTY, FLORIDA, REGARDLESS OF THE LOCATION OF THE PARTIES OR ARBITRATOR. TO THE EXTENT PERMITTED BY THE ARBITRATOR RULES, THE ARBITRATION PROCEEDINGS SHALL PROCEED VIRTUALLY OR REMOTELY AND SHALL NOT REQUIRE THE PARTIES TO APPEAR IN-PERSON. ALL QUESTIONS CONCERNING ARBITRABILITY OF ANY DISPUTE SHALL BE DECIDED BY THE ARBITRATOR. CEDAR MAY DEMAND THAT SUCH DISPUTE BE SUBMITTED TO ARBITRATION EITHER BY (I) SENDING A WRITTEN NOTICE OF INTENT TO ARBITRATE TO ALL OTHER PARTIES IN ACCORDANCE WITH THE NOTICE PROVISION IN PARAGRAPH 35 OF THIS AGREEMENT, OR (II) SENDING A WRITTEN NOTICE OF INTENT TO ARBITRATE TO THE ATTORNEY OF RECORD FOR MERCHANT, ANY GUARANTOR OR ANY OWNER WHO HAS BROUGHT ANY ACTION OR PROCEEDING BEFORE ANY COURT OR TRIBUNAL AGAINST CEDAR. INITIALLY, THE PARTIES WILL SPLIT THE ARBITRATION FILING FEE, ADMINISTRATION FEE AND ARBITRATOR FEE. IF CEDAR PREVAILS IN ARBITRATION, THE ARBITRATOR MAY AWARD TO CEDAR ITS ATTORNEYS' FEES (IN ACCORDANCE WITH PARAGRAPH 39 OF THIS AGREEMENT) AND SHARE OF THE ARBITRATION FILING FEE, ADMINISTRATION FEE AND ARBITRATOR FEE. MERCHANT, ANY GUARANTOR AND ANY OWNER MAY OPT OUT OF THIS ARBITRATION PROVISION BY SENDING CEDAR A NOTICE THAT HE, SHE OR IT DOES NOT WANT THIS PROVISION TO APPLY IN ACCORDANCE WITH PARAGRAPH 33 WITHIN 14 DAYS AFTER THE EFFECTIVE DATE OF THIS AGREEMENT.

G14. Service of Process. Each Merchant and each Guarantor consent to service of process and legal notices made by First Class or Priority Mail delivered by the United States Postal Service and addressed to the Contact Address set forth on the first page of the Agreement or any other address(es) provided in writing to CEDAR by any Merchant or any Guarantor, and unless applicable law or rules provide otherwise, any such service will be deemed complete upon dispatch. Each Merchant and each Guarantor agrees that it will be precluded from asserting that it did not receive service of process or any other notice mailed to the Contact Address set forth on the first page of the Agreement if it does not furnish a certified mail return receipt signed by CEDAR demonstrating that CEDAR was provided with notice of a change in the Contact Address.

G15. Severability. If any provision of this Guarantee is deemed invalid or unenforceable as written, it will be construed, to the greatest extent possible, in a manner which will render it valid and enforceable, and any limitation on the scope or duration of any such provision necessary to make it valid and enforceable will be deemed to be part thereof. If any provision of this Guarantee is deemed void, all other provisions will remain in effect.

G16. Survival. The provisions of Sections G2, G3, G4, G5, G6, G7, G8, G9, G10, G11, G12, G13, G14, G15, G16, G17, G18, G19, and G20 shall survive any termination of this Guarantee.

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK Title: _____ Date: 01/04/2024

Page 15 of 16

STANDARD MERCHANT CASH ADVANCE AGREEMENT

G17. Headings. Headings of the various articles and/or sections of this Guarantee are for convenience only and do not necessarily define, limit, describe, or construe the contents of such articles or sections.

G18. Attorney Review. Each Guarantor acknowledges that it has had an opportunity to review this Guarantee, the Agreement, and all addenda with counsel of its choosing before signing the documents or has chosen not to avail itself of the opportunity to do so.

G19. Entire Agreement. This Guarantee, inclusive of all addenda, if any, executed simultaneously herewith may not be amended, modified, or canceled except in writing signed by all parties. Should there arise any conflict between this Guarantee and any other document preceding it, this Guarantee will govern. This Guarantee does not affect any previous agreement between the parties unless such an agreement is specifically referenced in the Agreement or herein. This Guarantee will not be affected by any subsequent agreement between the parties unless this Guarantee is specifically referenced therein.

G20. Counterparts; Fax and Electronic Signatures. This Guarantee may be executed electronically and in counterparts. Facsimile and electronic copies of this Guarantee will have the full force and effect of an original.

THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION SET FORTH IN THE "STANDARD MERCHANT CASH ADVANCE AGREEMENT", INCLUDING THE "TERMS AND CONDITIONS", ARE HEREBY INCORPORATED IN AND MADE A PART OF THIS GUARANTEE. CAPITALIZED TERMS NOT DEFINED IN THIS GUARANTEE SHALL HAVE THE MEANING SET FORTH IN THE STANDARD MERCHANT CASH ADVANCE AGREEMENT, INCLUDING THE TERMS AND CONDITIONS.

EACH UNDERSIGNED HEREBY ACCEPTS THE TERMS OF THIS GUARANTEE

GUARANTOR (#1)

By: JEFFREY J PECK JEFFREY J PECK
(Print Name) (Signature)

SS# 009-66-3788 Driver License Number _____

GUARANTOR (#2)

By: _____
(Print Name) (Signature)

SS# _____ Driver License Number _____

STANDARD MERCHANT CASH ADVANCE AGREEMENT

BANK INFORMATION

Dear Merchant,

We look forward to being your funding partner.

You authorize CEDAR ADVANCE LLC to collect the Receivables Purchased Amount under this Agreement by ACH debiting your bank account with the bank listed below.

CEDAR ADVANCE LLC will require viewing access to your bank account each business day.

CEDAR ADVANCE LLC will also require viewing access to your bank account, prior to funding, as part of our underwriting process.

Please fill out the form below with the information necessary to access your account.

*** Be sure to indicate capital or lower case letters.**

Name of bank: NBT BANK NA

Name of account: ISUN INDUSTRIAL LLC

Account number: 7100892043 Routing number: 021303618

Bank portal website: _____

Username: _____

Password: _____

Security Question/Answer 1: _____

Security Question/Answer 2: _____

Security Question/Answer 3: _____

Any other information necessary to access your account: _____

If you have any questions please feel free to contact us directly at 786-605-8900.

I have read and agree to the terms and conditions set forth above:

 _____

Name: JEFFREY J PECK Title: _____ Date: 01/04/2024



ADDENDUM TO STANDARD MERCHANT CASH ADVANCE AGREEMENT

This is an Addendum, dated 1/2/2024, to the Standard Merchant Cash Advance Agreement ("Agreement"), dated 1/2/2024, between CEDAR ADVANCE LLC ("CEDAR") and ISUN INDUSTRIAL LLC AND ALL ENTITIES UNDER EXHIBIT A ("Merchant").

Merchant(s) instruct CEDAR to pay up to \$581.874.90 of the Purchase Price set forth in the Agreement to CEDAR ADVANCE LLC ("CEDAR") instead of to Merchant(s). The balance of the Purchase Price will be paid to Merchant(s).

Additional comments: _____

FOR THE MERCHANT/OWNER (#1)

By: JEFFREY J PECK
(Print Name and Title)

DocuSigned by:
JEFFREY J PECK
(Signature)

FOR THE MERCHANT/OWNER (#2)

By: _____
(Print Name and Title)

(Signature)

STANDARD MERCHANT CASH ADVANCE AGREEMENT
EXHIBIT A
MERCHANT LIST

This is an Addendum, dated 01/04/2024 to the Standard Merchant Cash Advance Agreement ("Agreement") of CEDAR ADVANCE LLC, dated 01/04/2024. This Addendum incorporates the Agreement by reference. Each Contact Address set forth in this Addendum will be treated as if it is set forth as a Contact Address on Page 1 of the Agreement. The terms of this Addendum will control to the extent they conflict with any of the terms in the Agreement.

The following entities and/or sole proprietorships will be a Merchant under the Agreement in addition to any Merchant listed on Page 1 of the Agreement:

Merchant #1's Legal Name: ISUN INDUSTRIAL LLC
D/B/A: ISUN INDUSTRIAL LLC
Type of Entity: Limited Liability Company Fed ID #: 47-2150172
Business Address: 400 Avenue D STE 10 City: Williston State: VT Zip: 05495
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #1

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #2

Merchant #2's Legal Name: ISUN, INC.
D/B/A: _____
Type of Entity: Corporation Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #2

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #3

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

Merchant #3's Legal Name: ISUN CORPORATE LLC

D/B/A: _____

Type of Entity: Limited Liability Company Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #3

By: JEFFREY J PECK, Owner _____
(Print Name and Title) (Signature)

FOR MERCHANT #4

Merchant #4's Legal Name: ISUN ENERGY LLC

D/B/A: _____

Type of Entity: Limited Liability Company Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #4

By: JEFFREY J PECK, Owner _____
(Print Name and Title) (Signature)

FOR MERCHANT #5

Merchant #5's Legal Name: ISUN UTILITY, LLC

D/B/A: _____

Type of Entity: Limited Liability Company Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #5

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #6

Merchant #6's Legal Name: PECK ELECTRIC CO

D/B/A: _____

Type of Entity: Corporation Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #6

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #7

Merchant #7's Legal Name: ISUN RESIDENTIAL, INC.

D/B/A: _____

Type of Entity: Corporation Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

FOR MERCHANT #7

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #8

Merchant #8's Legal Name: PECK ELECTRIC CO. CORPORATION
D/B/A: _____
Type of Entity: Corporation Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #8

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #9

Merchant #9's Legal Name: ISUN INDUSTRIAL, LLC
D/B/A: _____
Type of Entity: Limited Liability Company Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #9

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

FOR MERCHANT #10

Merchant #10's Legal Name: PECK MERCURY, INC.

D/B/A: _____

Type of Entity: Corporation Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #10

By: JEFFREY J PECK, Owner _____
(Print Name and Title) (Signature)

FOR MERCHANT #11

Merchant #11's Legal Name: ISUN UTILITY, LLC

D/B/A: _____

Type of Entity: Limited Liability Company Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #11

By: JEFFREY J PECK, Owner _____
(Print Name and Title) (Signature)

FOR MERCHANT #12

Merchant #12's Legal Name: SOLARCOMMUNITIES, INC

D/B/A: _____

Type of Entity: Corporation Fed ID #: _____

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #12

By: _____ JEFFREY J PECK, Owner _____
(Print Name and Title) (Signature)

FOR MERCHANT #13

Merchant #13's Legal Name: GREAT HORN FINANCIAL SERVICES, LLC
D/B/A: _____
Type of Entity: Limited Liability Company Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #13

By: _____ JEFFREY J PECK, Owner _____
(Print Name and Title) (Signature)

PAWN FUNDING
633 167th Street, N. Miami Beach, FL 33162
929-263-2295
nick@pawnfunding.com

STANDARD MERCHANT CASH ADVANCE AGREEMENT

This is an Agreement dated 01/04/2024 by and between PAWN FUNDING ("PF"), inclusive of its successors and assigns, and each merchant listed below ("Merchant").

Merchant's Legal Name: ISUN INDUSTRIAL LLC AND ALL ENTITIES UNDER ADDENDUM M

D/B/A: ISUN INDUSTRIAL LLC Fed ID #: 47-2150172

Type of Entity: Limited Liability Company

Business Address: 400 Avenue D STE 10 City: Williston State: VT Zip: 05495

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

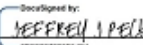
Email Address: _____ Phone Number: _____

Purchase Price <i>This is the amount being paid to Merchant(s) for the Receivables Purchased Amount (defined below). This amount may be paid in installments if there is an Addendum stating that it will be paid in installments.</i>	<u>\$1,200,000.00</u>
Receivables Purchased Amount <i>This is the amount of Receivables (defined in Section 1 below) being sold. This amount may be sold in installments if there is an Addendum stating that it will be sold in installments.</i>	<u>\$1,608,000.00</u>
Specified Percentage <i>This is the percentage of Receivables (defined below) to be delivered until the Receivables Purchased Amount is paid in full.</i>	<u>3.00%</u>
Net Funds Provided <i>This is the net amount being paid to or on behalf of Merchant(s) after deduction of applicable fees listed in Section 2 below. This amount may be paid in installments if there is an Addendum stating that it will be paid in installments.</i>	<u>\$1,152,000.00</u>
Net Amount to Be Received Directly by Merchant(s) <i>This is the net amount being received directly by Merchant(s) after deduction of applicable fees listed in Section 2 below and the payment of any part of the Purchase Price elsewhere pursuant to any Addendum to this Agreement. This amount may be paid in installments if there is an Addendum stating that it will be paid in installments. If any deduction is being made from the Purchase Price to pay off another obligation by Merchant(s), then the Net Amount to be Received Directly by Merchant(s) is subject to change based on any change in the amount of the other obligation(s) to be paid off.</i>	<u>\$597,833.44</u>
Initial Estimated Payment <i>This is the initial amount of periodic payments collected from Merchant(s) as an approximation of no more than the Specified Percentage of the Receivables and is subject to reconciliation as set forth in Section 4 below.</i>	<u>\$40,200.00 per week</u>

I have read and agree to the terms and conditions set forth above:

<div>Digitally signed by: <u>JEFFREY J PECK</u></div>	
Name: <u>JEFFREY J PECK</u>	Name: _____
Title: <u>Owner</u>	Title: _____
Date: <u>01/04/2024</u>	Date: <u>01/04/2024</u>

I have read and agree to the terms and conditions set forth above:

DocuSigned by:

Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

TERMS AND CONDITIONS

1. Sale of Future Receipts. Merchant(s) hereby sell, assign, and transfer to PF (making PF the absolute owner) in consideration of the funds provided ("Purchase Price") specified above, all of each Merchant's future accounts, contract rights, and other obligations arising from or relating to the payment of monies from each Merchant's customers and/or other third party payors (the "Receivables", defined as all payments made by cash, check, credit or debit card, electronic transfer, or other form of monetary payment in the ordinary course of each merchant's business), for the payment of each Merchant's sale of goods or services until the amount specified above (the "Receivables Purchased Amount") has been delivered by Merchant(s) to PF. Each Merchant hereby acknowledges that until the Receivables Purchased Amount has been received in full by PF, each Merchant's Receivables, up to the balance of the Receivables Purchased Amount, are the property of PF and not the property of any Merchant. Each Merchant agrees that it is a fiduciary for PF and that each Merchant will hold Receivables in trust for PF in its capacity as a fiduciary for PF.

The Receivables Purchased Amount shall be paid to PF by each Merchant irrevocably authorizing only one depositing account acceptable to PF (the "Account") to remit the percentage specified above (the "Specified Percentage") of each Merchant's settlement amounts due from each transaction, until such time as PF receives payment in full of the Receivables Purchased Amount. Each Merchant hereby authorizes PF to ACH debit the specified remittances and any applicable fees listed in Section 2 from the Account on a daily basis as of the next business day after the date of this Agreement and will provide PF with all required access codes and monthly bank statements. PF is not responsible for any overdrafts or rejected transactions that may result from PF's ACH debiting the Specified Percentage amounts under the terms of this Agreement.

2. Additional Fees. In addition to the Receivables Purchased Amount, each Merchant will be held responsible to PF for the following fees, where applicable:

A. \$48,000.00 - to cover underwriting, the ACH debit program, and expenses related to the procurement and initiation of the transactions encompassed by this Agreement. This will be deducted from payment of the Purchase Price.

B. Court costs, arbitration fees, collection agency fees, attorney fees, expert fees, and any other expenses incurred in litigation, arbitration, or the enforcement of any of PF's legal or contractual rights against each Merchant and/or each Guarantor, if required, as explained in other Sections of this Agreement.

3. Estimated Payments. Instead of debiting the Specified Percentage of Merchant's Receivables, PF may instead debit an "Estimated Payment" from the Account every week. The Estimated Payment is intended to be an approximation of no more than the Specified Percentage. The initial amount of the Estimated Payment is \$40,200.00, subject to reconciliation as set forth in Section 4. Notwithstanding any provision herein to the contrary, PF is permitted to debit the Account to make up for a previous Estimated Payment that was not debited because PF was closed that day, to make up for any previous Estimated Payment that was not collected because the debit did not clear for any reason, to collect any amount due resulting from a reconciliation as set forth in Section 4, to collect any of the fees listed in Section 2, or to collect any amount due as a result of an Event of Default defined in Section 29.

4. Reconciliations. Any Merchant may contact PF's Reconciliation Department to request that PF conduct a reconciliation in order to ensure that the amount that PF has collected equals the Specified Percentage of Merchant(s)'s Receivables under this Agreement. A request for a reconciliation by any Merchant must be made by giving written notice of the request to PF or by sending an e-mail to nick@pawnfunding.com stating that a reconciliation is being requested. In order to effectuate the reconciliation, any Merchant must produce with its request all statements covering the period from the date of this Agreement through the date of the request for a reconciliation and, if available, the login and password for the Account. PF will complete each reconciliation requested by any Merchant within two business days after receipt of proper notice of a request for one accompanied by the information and documents required for it. PF may also conduct a reconciliation on its own at any time by reviewing Merchant(s)'s Receivables covering the period from the date of this Agreement until the date of initiation of the reconciliation, each such reconciliation will be completed within two business days after its initiation, and PF will give each Merchant written notice of the determination made based on the reconciliation within one business day after its completion. If a reconciliation determines that PF collected more than it was entitled to, then PF will credit to the Account all amounts to which PF was not entitled and, if there is an Estimated Payment, decrease the amount of the Estimated Payment so that it is consistent with the Specified Percentage of Merchant(s)'s Receivables from the date of the Agreement through the date of the reconciliation. If a reconciliation

I have read and agree to the terms and conditions set forth above:

Digitally signed by
JEFFREY J PECK

Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

determines that PF collected less than it was entitled to, then PF will debit from the Account all additional amounts to which PF was entitled and, if there is an Estimated Payment, increase the amount of the Estimated Payment so that it is consistent with the Specified Percentage of Merchant(s)'s Receivables from the date of the Agreement through the date of the reconciliation. Nothing herein limits the amount of times that a reconciliation may be requested or conducted.

5. Merchant Deposit Agreement. Merchant(s) shall appoint a bank acceptable to PF, to obtain electronic fund transfer services and/or "ACH" payments. Merchant(s) shall provide PF and/or its authorized agent with all of the information, authorizations, and passwords necessary to verify each Merchant's Receivables. Merchant(s) shall authorize PF and/or its agent(s) to deduct the amounts owed to PF for the Receivables as specified herein from settlement amounts which would otherwise be due to each Merchant and to pay such amounts to PF by permitting PF to withdraw the Specified Percentage by ACH debiting of the account. The authorization shall be irrevocable as to each Merchant absent PF's written consent until the Receivables Purchased Amount has been paid in full or the Merchant becomes bankrupt or goes out of business without any prior default under this Agreement.

6. Term of Agreement. The term of this Agreement is indefinite and shall continue until PF receives the full Receivables Purchased Amount, or earlier if terminated pursuant to any provision of this Agreement. The provisions of Sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 12, 13, 14, 15, 16, 17, 18, 21, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, and 49 shall survive any termination of this Agreement.

7. Ordinary Course of Business. Each Merchant acknowledges that it is entering into this Agreement in the ordinary course of its business and that the payments to be made from each Merchant to PF under this Agreement are being made in the ordinary course of each Merchant's business.

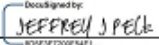
8. Financial Condition. Each Merchant and each Guarantor (Guarantor being defined as each signatory to the Guarantee of this Agreement) authorizes PF and its agent(s) to investigate each Merchant's financial responsibility and history, and will provide to PF any bank or financial statements, tax returns, and other documents and records, as PF deems necessary prior to or at any time after execution of this Agreement. A photocopy of this authorization will be deemed as acceptable for release of financial information. PF is authorized to update such information and financial profiles from time to time as it deems appropriate.

9. Monitoring, Recording, and Electronic Communications. PF and any of its agents or representatives may choose to monitor and/or record telephone calls with any Merchant and its owners, employees, and agents. By signing this Agreement, each Merchant agrees that any call between PF and any of its agents or representatives and any Merchant or its representatives may be monitored and/or recorded. Each Merchant and each Guarantor grants access for PF and any of its agents or representatives to enter any Merchant's premises and to observe any Merchant's premises without any prior notice to any Merchant at any time after execution of this Agreement.

PF and any of its agents or representatives may use automated telephone dialing, text messaging systems, and e-mail to provide messages to Merchant(s), Owner(s) (Owner being defined as each person who signs this Agreement on behalf of a Merchant), and Guarantor(s) about Merchant(s)'s account. Telephone messages may be played by a machine automatically when the telephone is answered, whether answered by an Owner, a Guarantor, or someone else. These messages may also be recorded by the recipient's answering machine or voice mail. Each Merchant, each Owner, and each Guarantor gives PF and any of its agents or representatives permission to call or send a text message to any telephone number given to PF and any of its agents or representatives in connection with this Agreement and to play pre-recorded messages and/or send text messages with information about this Agreement and/or any Merchant's account over the phone. Each Merchant, each Owner, and each Guarantor also gives PF and any of its agents or representatives permission to communicate such information to them by e-mail. Each Merchant, each Owner, and each Guarantor agree that PF and any of its agents or representatives will not be liable to any of them for any such calls or electronic communications, even if information is communicated to an unintended recipient. Each Merchant, each Owner, and each Guarantor acknowledge that when they receive such calls or electronic communications, they may incur a charge from the company that provides them with telecommunications, wireless, and/or Internet services, and that PF and any of its agents or representatives has no liability for any such charges.

10. Accuracy of Information Furnished by Merchant and Investigation Thereof. To the extent set forth

I have read and agree to the terms and conditions set forth above:

Decoded by:

Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

herein, each of the parties is obligated upon his, her, or its execution of the Agreement to all terms of the Agreement. Each Merchant and each Owner signing this Agreement represent that he or she is authorized to sign this Agreement for each Merchant, legally binding said Merchant to its obligations under this Agreement and that the information provided herein and in all of PF's documents, forms, and recorded interview(s) is true, accurate, and complete in all respects. PF may produce a monthly statement reflecting the delivery of the Specified Percentage of Receivables from Merchant(s) to PF. An investigative report may be made in connection with the Agreement. Each Merchant and each Owner signing this Agreement authorize PF, its agents and representatives, and any credit-reporting agency engaged by PF, to (i) investigate any references given or any other statements obtained from or about each Merchant or any of its Owners for the purpose of this Agreement, and (ii) pull credit report at any time now or for so long as any Merchant and/or Owners(s) continue to have any obligation to PF under this Agreement or for PF's ability to determine any Merchant's eligibility to enter into any future agreement with PF. Any misrepresentation made by any Merchant or Owner in connection with this Agreement may constitute a separate claim for fraud or intentional misrepresentation.

Authorization for soft pulls: Each Merchant and each Owner understands that by signing this Agreement, they are providing 'written instructions' to PF under the Fair Credit Reporting Act, authorizing PF to obtain information from their personal credit profile or other information from Experian, TransUnion, and Equifax. Each Merchant and each Guarantor authorizes PF to obtain such information solely to conduct a pre-qualification for credit.

Authorization for hard pulls: Each Merchant and each Owner understands that by signing this Agreement, they are providing 'written instructions' to PF under the Fair Credit Reporting Act, authorizing PF to obtain information from their personal credit profile or other information from Experian, TransUnion, and Equifax. Each Merchant and each Guarantor authorizes PF to obtain such information in accordance with a merchant cash advance application.

11. Transactional History. Each Merchant authorizes its bank to provide PF and any of its agents or representatives with its banking and/or credit card processing history.

12. Indemnification. Each Merchant and each Guarantor jointly and severally indemnify and hold harmless each Merchant's credit card and check processors (collectively, "Processor") and Processor's officers, directors, and shareholders against all losses, damages, claims, liabilities, and expenses (including reasonable attorney and expert fees) incurred by Processor resulting from (a) claims asserted by PF for monies owed to PF from any Merchant and (b) actions taken by any Processor in reliance upon information or instructions provided by PF.

13. Sale of Receivables. Each Merchant and PF agree that the Purchase Price under this Agreement is in exchange for the Receivables Purchased Amount and that such Purchase Price is not intended to be, nor shall it be construed as a loan from PF to any Merchant. PF is entering into this Agreement knowing the risks that each Merchant's business may decline or fail, resulting in PF not receiving the Receivables Purchased Amount. Any Merchant going bankrupt, going out of business, or experiencing a slowdown in business or a delay in collecting Receivables will not on its own without anything more be considered a breach of this Agreement. Each Merchant agrees that the Purchase Price in exchange for the Receivables pursuant to this Agreement equals the fair market value of such Receivables. PF has purchased and shall own all the Receivables described in this Agreement up to the full Receivables Purchased Amount as the Receivables are created. Payments made to PF in respect to the full amount of the Receivables shall be conditioned upon each Merchant's sale of products and services and the payment therefor by each Merchant's customers in the manner provided in this Agreement. Each Merchant and each Guarantor acknowledges that PF does not purchase, sell, or offer to purchase or sell securities and that this Agreement is not a security, an offer to sell any security, or a solicitation of an offer to buy any security. Although certain jurisdictions require the disclosure of an Annual Percentage Rate or APR in connection with this Agreement, those disclosures do not change the fact that the transaction encompassed by this Agreement is not a loan and does not have an interest rate. If a court or arbitrator determines that PF has charged or received interest under this Agreement in excess of the highest rate permitted by applicable law, then the rate in effect under this Agreement will automatically be reduced to the maximum rate permitted by applicable law and PF will promptly refund to Merchant(s) any amount received by PF that would otherwise be considered interest in excess of the maximum lawful rate, with it being intended that Merchant(s) not pay or contract to pay and that PF not receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by Merchant(s) or received by PF under applicable law.

I have read and agree to the terms and conditions set forth above:

Digitally signed by
JEFFREY J PECK

Name: **JEFFREY J PECK**

Title: **Owner**

Date: **01/04/2024**

Name: _____

Title: _____

Date: **01/04/2024**

14. Power of Attorney. Each Merchant irrevocably appoints PF as its agent and attorney-in-fact with full authority to take any action or execute any instrument or document to settle all obligations due to PF for the benefit of each Merchant and only in order to prevent the occurrence of an Event of Default (as described in Section 29). If an Event of Default takes place under Section 29, then each Merchant irrevocably appoints PF as its agent and attorney-in-fact with full authority to take any action or execute any instrument or document to settle all obligations due to PF from each Merchant, including without limitation (i) to collect monies due or to become due under or in respect of any of the Collateral (which is defined in Section 28); (ii) to receive, endorse and collect any checks, notes, drafts, instruments, documents, or chattel paper in connection with clause (i); (iii) to sign each Merchant's name on any invoice, bill of lading, or assignment directing customers or account debtors to make payment directly to PF; and (iv) to file any claims or take any action or institute any proceeding which PF may deem necessary for the collection of any of the unpaid Receivables Purchased Amount from the Collateral, or otherwise to enforce its rights with respect to payment of the Receivables Purchased Amount.

15. Protections Against Default. The following Protections 1 through 6 may be invoked by PF, immediately and without notice to any Merchant if any Event of Default listed in Section 29 has occurred.

Protection 1: The full uncollected Receivables Purchased Amount plus all fees due under this Agreement may become due and payable in full immediately.

Protection 2: PF may enforce the provisions of the Guarantee against Guarantor.

Protection 3: PF may enforce its security interest in the Collateral identified in Section 28.

Protection 4: PF may proceed to protect and enforce its rights and remedies by litigation or arbitration.

Protection 5: PF may debit any Merchant's depository accounts wherever situated by means of ACH debit or electronic or facsimile signature on a computer-generated check drawn on any Merchant's bank account or otherwise, in an amount consistent with the terms of this Agreement.

Protection 6: PF will have the right, without waiving any of its rights and remedies and without notice to any Merchant and/or Guarantor, to notify each Merchant's credit card and/or check processor and account debtor(s) of the sale of Receivables hereunder and to direct such credit card processor and account debtor(s) to make payment to PF of all or any portion of the amounts received by such credit card processor and account debtor(s) on behalf of each Merchant. Each Merchant hereby grants to PF an irrevocable power-of-attorney, which power-of-attorney will be coupled with an interest, and hereby appoints PF and its representatives as each Merchant's attorney-in-fact to take any and all action necessary to direct such new or additional credit card and/or check processor and account debtor(s) to make payment to PF as contemplated by this Section.

16. Protection of Information. Each Merchant and each person signing this Agreement on behalf of each Merchant and/or as Owner, in respect of himself or herself personally, authorizes PF to disclose information concerning each Merchant, Owner and/or Guarantor's credit standing and business conduct to agents, affiliates, subsidiaries, and credit reporting bureaus. Each Merchant, Guarantor, and Owner hereby waives to the maximum extent permitted by law any claim for damages against PF or any of its affiliates relating to any (i) investigation undertaken by or on behalf of PF as permitted by this Agreement or (ii) disclosure of information as permitted by this Agreement.

17. Confidentiality. Each Merchant understands and agrees that the terms and conditions of the products and services offered by PF, including this Agreement and any other PF documents (collectively, "Confidential Information") are proprietary and confidential information of PF. Accordingly, unless disclosure is required by law or court order, Merchant(s) shall not disclose Confidential Information of PF to any person other than an attorney, accountant, financial advisor, or employee of any Merchant who needs to know such information for the purpose of advising any Merchant ("Advisor"), provided such Advisor uses such information solely for the purpose of advising any Merchant and first agrees in writing to be bound by the terms of this Section 17.

18. D/B/As. Each Merchant hereby acknowledges and agrees that PF may be using "doing business as" or "d/b/a" names in connection with various matters relating to the transaction between PF and each Merchant, including the filing of UCC-1 financing statements and other notices or filings.

19. Financial Condition and Financial Information. Each Merchant represents, warrants, and covenants that its bank and financial statements, copies of which have been furnished to PF, and future statements which will be furnished

I have read and agree to the terms and conditions set forth above:

Digitally signed by
JEFFREY J PECK
DN: cn=JEFFREY J PECK, o=PF, ou=PF, email=jpeck@pf.com
Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

hereafter at the request of PF, fairly represent the financial condition of each Merchant at such dates, and that since those dates there have been no material adverse changes, financial or otherwise, in such condition, operation, or ownership of any Merchant. Each Merchant has a continuing affirmative obligation to advise PF of any material adverse change in its financial condition, operation, or ownership that may have an effect on any Merchant's ability to generate Receivables or perform its obligations under this Agreement.

20. Governmental Approvals. Each Merchant represents, warrants, and covenants that it is in compliance and shall comply with all laws and has valid permits, authorizations, and licenses to own, operate, and lease its properties and to conduct the business in which it is presently engaged.

21. Authorization. Each Merchant represents, warrants, and covenants that it and each person signing this Agreement on behalf of each Merchant has full power and authority to incur and perform the obligations under this Agreement, all of which have been duly authorized.

22. Electronic Check Processing Agreement. Each Merchant represents, warrants, and covenants that it will not, without PF's prior written consent, change its Processor, add terminals, change its financial institution or bank account, or take any other action that could have any adverse effect upon any Merchant's obligations under this Agreement.

23. Change of Name or Location. Each Merchant represents, warrants, and covenants that it will not conduct its business under any name other than as disclosed to PF or change any place(s) of its business without giving prior written notice to PF.

24. No Bankruptcy. Each Merchant represents, warrants, and covenants that as of the date of this Agreement, it does not contemplate and has not filed any petition for bankruptcy protection under Title 11 of the United States Code and there has been no involuntary petition brought or pending against any Merchant. Each Merchant further warrants that it does not anticipate filing any such bankruptcy petition and it does not anticipate that an involuntary petition will be filed against it.

25. Unencumbered Receivables. Each Merchant represents, warrants, and covenants that it has good, complete, and marketable title to all Receivables, free and clear of any and all liabilities, liens, claims, changes, restrictions, conditions, options, rights, mortgages, security interests, equities, pledges, and encumbrances of any kind or nature whatsoever or any other rights or interests that may be inconsistent with this Agreement or adverse to the interests of PF, other than any for which PF has actual or constructive knowledge or inquiry notice as of the date of this Agreement.

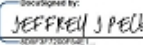
26. Stacking. Each Merchant represents, warrants, and covenants that it will not enter into with any party other than PF any arrangement, agreement, or commitment that relates to or involves the Receivables, whether in the form of a purchase of, a loan against, collateral against, or the sale or purchase of credits against Receivables without the prior written consent of PF.

27. Business Purpose. Each Merchant represents, warrants, and covenants that it is a valid business in good standing under the laws of the jurisdictions in which it is organized and/or operates, and each Merchant is entering into this Agreement for business purposes and not as a consumer for personal, family, or household purposes.

28. Security Interest. To secure each Merchant's performance obligations to PF under this Agreement and any future agreement with PF, each Merchant hereby grants to PF a security interest in collateral (the "Collateral"), that is defined as collectively: (a) all accounts, including without limitation, all deposit accounts, accounts-receivable, and other receivables, as those terms are defined by Article 9 of the Uniform Commercial Code (the "UCC"), now or hereafter owned or acquired by any Merchant; and (b) all proceeds, as that term is defined by Article 9 of the UCC. Negative Pledge: Each Merchant agrees not to create, incur, assume, or permit to exist, directly or indirectly, any lien on or with respect to any of the Collateral, as applicable.

Each Merchant agrees to execute any documents or take any action in connection with this Agreement as PF deems necessary to perfect or maintain PF's security interest in the Collateral, including the execution of any account

I have read and agree to the terms and conditions set forth above:

Digitally signed by:

Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

control agreements. Each Merchant hereby authorizes PF to file any financing statements deemed necessary by PF to perfect or maintain PF's security interest, which financing statements may contain notification that each Merchant has granted a negative pledge to PF with respect to the Collateral, and that any subsequent lienor may be tortiously interfering with PF's rights. Each Merchant shall be liable for and PF may charge and collect all costs and expenses, including but not limited to attorney fees, which may be incurred by PF in protecting, preserving, and enforcing PF's security interest and rights. Each Merchant further acknowledges that PF may use another legal name and/or D/B/A or an agent when designating the Secured Party when PF files the above-referenced financing statement(s).

29. Events of Default. An "Event of Default" may be considered to have taken place if any of the following occur:

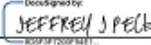
- (1) Any representation or warranty by any Merchant to PF proves to have been made intentionally false or misleading in any material respect when made;
- (2) Any Merchant causes any ACH debit to the Account by PF to be blocked or stopped without providing any advance written notice to PF with an alternative method for PF to collect the blocked or stopped payment, which notice may be given by e-mail to nick@pawnfunding.com;
- (3) Any Merchant intentionally prevents PF from collecting any part of the Receivables Purchased Amount; or
- (4) Any Merchant causes any ACH debit to the Account by any person or entity other than PF to be stopped or otherwise returned that would result in an ACH Return Code of R08, R10, or R29 and that Merchant does not within two business days thereafter provide PF with written notice thereof explaining why that Merchant caused the ACH debit to be stopped or otherwise returned, which notice may be given by e-mail to nick@pawnfunding.com.

30. Remedies. In case any Event of Default occurs and is not waived, PF may proceed to protect and enforce its rights or remedies by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement, or other provision contained herein, or to enforce the discharge of each Merchant's obligations hereunder, or any other legal or equitable right or remedy. All rights, powers, and remedies of PF in connection with this Agreement, including each Protection listed in Section 15, may be exercised at any time by PF after the occurrence of an Event of Default, are cumulative and not exclusive, and will be in addition to any other rights, powers, or remedies provided by law or equity. In case any Event of Default occurs and is not waived, PF may elect that Merchant(s) be required to pay to PF 25% of the unpaid balance of the Receivables Purchased Amount as liquidated damages for any reasonable expenses incurred by PF in connection with recovering the unpaid balance of the Receivables Purchased Amount ("Reasonable Expenses"), and all Merchant(s) and all Guarantor(s) agree that the Reasonable Expenses bear a reasonable relationship to PF's actual expenses incurred in connection with recovering the unpaid balance of the Receivables Purchased Amount.

31. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, except that Merchant(s) shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of PF, which consent may be withheld in PF's sole discretion. PF may assign, transfer, or sell its rights under this Agreement, including, without limitation, its rights to receive the Receivables Purchased Amount, and its rights under Section 28 of this Agreement, the Guarantee, and any other agreement, instrument, or document executed in connection with the transactions contemplated by this Agreement (a "Related Agreement"), or delegate its duties hereunder or thereunder, either in whole or in part. From and after the effective date of any such assignment or transfer by PF, whether or not any Merchant has actual notice thereof, this Agreement and each Related Agreement shall be deemed amended and modified (without the need for any further action on the part of any Merchant or PF) such that the assignee shall be deemed a party to this Agreement and any such Related Agreement and, to the extent provided in the assignment document between PF and such assignee (the "Assignment Agreement"), have the rights and obligations of PF under this Agreement and such Related Agreements with respect to the portion of the Receivables Purchased Amount set forth in such Assignment Agreement, including but not limited to rights in the Receivables, Collateral and Additional Collateral, the benefit of each Guarantor's guaranty regarding the full and prompt performance of every obligation that is a subject of the Guarantee, PF's rights under Section 15 of this Agreement (Protections Against Default), and to receive damages from any Merchant following a breach of this Agreement by any Merchant. In connection with such assignment, PF may disclose all information that PF has relating to any Merchant or its business. Each Merchant agrees to acknowledge any such assignment in writing upon PF's request.

32. Notices. All notices, requests, consents, demands, and other communications hereunder shall be delivered by certified mail, return receipt requested, or by overnight delivery with signature confirmation to the respective parties to

I have read and agree to the terms and conditions set forth above:

DocuSigned by:

Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

this Agreement at their addresses set forth in this Agreement and shall become effective only upon receipt. Written notice may also be given to any Merchant or Guarantor by e-mail to the E-mail Address listed on the first page of this Agreement or by text message to the Phone Number listed on the first page of this Agreement if that phone number is for a mobile phone. Each Merchant and each Guarantor must set its spam or junk mail filter to accept e-mails sent by nick@pawnfunding.com and its domain. This Section is not applicable to service of process or notices in any legal proceedings.

33. Choice of Law. Each Merchant acknowledges and agrees that this Agreement was made in the State of Florida, that the Purchase Price is being paid by PF in the State of Florida, that the Receivables Purchased Amount is being delivered to PF in the State of Florida, and that the State of Florida has a reasonable relationship to the transactions encompassed by this Agreement. This Agreement, any dispute or claim relating hereto, whether sounding in contract, tort, law, equity, or otherwise, the relationship between PF and each Merchant, and the relationship between PF and each Guarantor will be governed by and construed in accordance with the laws of the State of Florida, without regard to any applicable principles of conflict of laws. Each Merchant agrees that the provisions of Chapter 22.1 of Title 6.2 of the Virginia Code are not applicable to this Agreement unless a merchant has a principal place of business located in the Commonwealth of Virginia and there is no applicable exemption to the statute. Each Merchant agrees that the provisions of Division 9.5 of the California Financial Code are not applicable to this Agreement if no Business Address listed on the first page of this Agreement or in any addendum hereto is located in the State of California or if there is any applicable exemption to the statute. Each Merchant agrees that the provisions of Chapter 27 of Title 7 of the Utah Code are not applicable to this Agreement if the transactions contemplated by this Agreement are not consummated in the State of Utah.

34. Venue and Forum Selection. Any litigation, whether sounding in contract, tort, law, equity, or otherwise, relating to this Agreement or involving PF on one side and any Merchant or any Guarantor on the other must be commenced and maintained in any court located in the Counties of Broward or Miami-Dade in the State of Florida (the "Acceptable Forums"). The parties agree that the Acceptable Forums are convenient, submit to the jurisdiction of the Acceptable Forums, and waive any and all objections to the jurisdiction or venue of the Acceptable Forums. If any litigation is initiated in any other venue or forum, the parties waive any right to oppose any motion or application made by any party to transfer such litigation to an Acceptable Forum. Notwithstanding any provision in this Agreement to the contrary, in addition to the Acceptable Forums, any application to obtain injunctive relief in aid of arbitration or to confirm an arbitration award for an arbitration conducted in the State of New York may be made in the Supreme Court of New York for Nassau County or the Civil Court of the City of New York for New York County and any action or proceeding to enforce a judgment or arbitration award against any Merchant or Guarantor or to restrain or collect any amount due to PF may be commenced and maintained in any other court that would otherwise be of competent jurisdiction, and each Merchant and each Guarantor agree that those courts are convenient, submit to the jurisdiction of those courts, waive any and all objections to the jurisdiction or venue of those courts, and may oppose any motion or application made by any party to transfer any such litigation to an Acceptable Forum.

35. Jury Waiver. The parties agree to waive trial by jury in any dispute between them.

36. Costs and Legal Fees. If an Event of Default occurs or PF prevails in any litigation or arbitration with any Merchant or any Guarantor, then each Merchant and each Guarantor must pay PF's reasonable attorney fees, which may include a contingency fee, as well as administrative or filing fees and arbitrator compensation in any arbitration, expert witness fees, and costs of suit.

37. Prejudgment and Postjudgment Interest. If PF becomes entitled to the entry of a judgment against any Merchant or any Guarantor, then PF will be entitled to the recovery of prejudgment interest at a rate of 18% per annum, or the maximum rate permitted by applicable law if less, and upon entry of any such judgment, it will accrue interest at a postjudgment rate of 18% per annum, or the maximum rate permitted by applicable law if less, which rate will govern over the statutory rate of interest up until actual satisfaction of the judgment.

38. Class Action Waiver. PF, each Merchant, and each Guarantor agree that they may bring claims against each other relating to this Agreement only in their individual capacities, and not as a plaintiff or class action member in any

I have read and agree to the terms and conditions set forth above:

Digitized by:
JEFFREY J PECK
Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

purported class or representative proceedings.

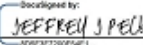
39. Arbitration. Any action or dispute, whether sounding in contract, tort, law, equity, or otherwise, relating to this Agreement or involving PF on one side and any Merchant or any Guarantor on the other, including, but not limited to issues of arbitrability, and including, without limitation, any action or dispute that predates this Agreement, will, at the option of any party to such action or dispute, be determined by arbitration in the State of New York. A judgment of the court shall be entered upon the award made pursuant to the arbitration. The arbitration will be administered either by the American Arbitration Association under its Commercial Arbitration Rules as are in effect at that time, which rules are available at www.adr.org, by Arbitration Services, Inc. under its Commercial Arbitration Rules as are in effect at that time, which rules are available at www.arbitrationservicesinc.com, by JAMS under its Streamlined Arbitration Rules & Procedures as are in effect at that time, which rules are available at www.jamsadr.com, or by Resolute Systems, LLC under its Commercial Arbitration Rules as are in effect at that time, which rules are available at www.resolutesystems.com. Once an arbitration is initiated with one of these arbitral forums, it must be maintained exclusively before that arbitral forum and no other arbitral forum specified herein may be used. As a prerequisite to making a motion to compel arbitration in any litigation, the party making the motion must first file a demand for arbitration with the chosen arbitral tribunal and pay all required filing and/or administrative fees. If the American Arbitration Association is selected, then notwithstanding any provision to the contrary in its Commercial Arbitration Rules, the Expedited Procedures will always apply and its Procedures for Large, Complex Commercial Disputes will not apply. Notwithstanding any provision to the contrary in the arbitration rules of the arbitral forum selected, the arbitration will be heard by one arbitrator and not by a panel of arbitrators, any arbitration hearing relating to this Agreement must be held in the Counties of Nassau, New York, Queens, or Kings in the State of New York, any party, representative, or witness in an arbitration hearing will be permitted to attend, participate, and testify remotely by telephone or video conferencing, and the arbitrator appointed will not be required to be a national of a country other than that of the parties to the arbitration.

Each Merchant acknowledges and agrees that this Agreement is the product of communications conducted by telephone and the Internet, which are instrumentalities of interstate commerce, that the transactions contemplated under this Agreement will be made by wire transfer and ACH, which are also instrumentalities of interstate commerce, and that this Agreement therefore evidences a transaction affecting interstate commerce. Accordingly, notwithstanding any provision in this Agreement to the contrary, all matters of arbitration relating to this Agreement will be governed by and construed in accordance with the provisions of the Federal Arbitration Act, codified as Title 9 of the United States Code, however any application for injunctive relief in aid of arbitration or to confirm an arbitration award may be made under the arbitration laws of the State in which the arbitration is being conducted, the laws of the State of Florida, or the laws of the jurisdiction in which the application is made, and the application will be governed by and construed in accordance with the laws under which the application is made, without regard to any applicable principles of conflict of laws. The arbitration agreement contained in this Section may also be enforced by any employee, agent, attorney, member, manager, officer, subsidiary, affiliate entity, successor, or assign of PF and by any party to a lawsuit in which PF and any Merchant or any Guarantor are parties.

40. Service of Process. Each Merchant and each Guarantor consent to service of process and legal notices made by First Class or Priority Mail delivered by the United States Postal Service and addressed to the Contact Address set forth on the first page of this Agreement or any other address(es) provided in writing to PF by any Merchant or any Guarantor, and unless applicable law or rules provide otherwise, any such service will be deemed complete 5 days after dispatch. Each Merchant and each Guarantor also consent to service of process and legal notices made by e-mail to the E-mail Address set forth on the first page of this Agreement or any other e-mail address(es) provided in writing to PF by any Merchant or any Guarantor, and unless applicable law or rules provide otherwise, any such service will be deemed complete upon dispatch. Each Merchant and each Guarantor agrees that it will be precluded from asserting that it did not receive service of process or any other notice mailed to the Contact Address set forth on the first page or e-mailed to the E-mail Address set forth on the first page of this Agreement if it does not furnish a certified mail return receipt signed by PF demonstrating that PF was provided with notice of a change in the Contact Address or the E-mail Address.

41. Survival of Representations, etc. All representations, warranties, and covenants herein shall survive the execution and delivery of this Agreement and shall continue in full force until all obligations under this Agreement shall have been satisfied in full and this Agreement shall have terminated unless specified otherwise in this Agreement.

I have read and agree to the terms and conditions set forth above:

DocuSigned by:

Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

42. Waiver. No failure on the part of PF to exercise, and no delay in exercising, any right under this Agreement, shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided hereunder are cumulative and not exclusive of any remedies provided by law or equity.

43. Independent Sales Organizations/Brokers. Each Merchant and each Guarantor acknowledge that it may have been introduced to PF by or received assistance in entering into this Agreement or its Guarantee from an independent sales organization or broker ("ISO"). Each Merchant and each Guarantor agree that any ISO is separate from and is not an agent or representative of PF. Each Merchant and each Guarantor acknowledge that PF is not bound by any promises or agreements made by any ISO that are not contained within this Agreement. Each Merchant and each Guarantor exculpate from liability and agree to hold harmless and indemnify PF and its officers, directors, members, shareholders, employees, and agents from and against all losses, damages, claims, liabilities, and expenses (including reasonable attorney and expert fees) incurred by any Merchant or any Guarantor resulting from any act or omission by any ISO. Each Merchant and each Guarantor acknowledge that any fee that they paid to any ISO for its services is separate and apart from any payment under this Agreement. Each Merchant and each Guarantor acknowledge that PF does not in any way require the use of an ISO and that any fees charged by any ISO are not required as a condition or incident to this Agreement.

44. Modifications: Agreements. No modification, amendment, waiver, or consent of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all parties.

45. Severability. If any provision of this Agreement is deemed invalid or unenforceable as written, it will be construed, to the greatest extent possible, in a manner which will render it valid and enforceable, and any limitation on the scope or duration of any such provision necessary to make it valid and enforceable will be deemed to be part thereof. If any provision of this Agreement is deemed void, all other provisions will remain in effect.

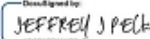
46. Headings. Headings of the various articles and/or sections of this Agreement are for convenience only and do not necessarily define, limit, describe, or construe the contents of such articles or sections.

47. Attorney Review; No Construction Against PF. Each Merchant acknowledges that it has had an opportunity to review this Agreement and all addenda with counsel of its choosing before signing the documents or has chosen not to avail itself of the opportunity to do so. This Agreement will be construed without regard to the party or parties responsible for the preparation of same and will be deemed as prepared jointly by PF and each Merchant. Any ambiguity or uncertainty in this Agreement will not be interpreted or construed against any party.

48. Entire Agreement. This Agreement, inclusive of all addenda, if any, executed simultaneously herewith constitutes the full understanding of the parties to the transaction herein and may not be amended, modified, or canceled except in writing signed by all parties. Should there arise any conflict between this Agreement and any other document preceding it, this Agreement will govern. This Agreement does not affect any previous agreement between the parties unless such an agreement is specifically referenced herein. This Agreement will not be affected by any subsequent agreement between the parties unless this Agreement is specifically referenced therein.

49. Counterparts; Fax and Electronic Signatures. This Agreement may be executed electronically and in counterparts. Facsimile and electronic copies of this Agreement will have the full force and effect of an original.

I have read and agree to the terms and conditions set forth above:

DocuSigned by

602047720897461
Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

EACH UNDERSIGNED HEREBY ACCEPTS THE TERMS OF THIS AGREEMENT

FOR THE MERCHANT/OWNER (#1)

JEFFREY J PECK	Owner	
Print Name	Title	Signature

SS#: 009-66-3788

Driver License Number: 5106746A

FOR THE MERCHANT/OWNER (#2)

_____	_____	_____
Print Name	Title	Signature

SS#:

Driver License Number:

Approved for PAWN FUNDING by: _____

STANDARD MERCHANT CASH ADVANCE AGREEMENT**GUARANTEE**

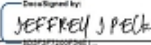
G1. Personal Guarantee of Performance. This is a personal guaranty of performance, dated 01/04/2024, of the Standard Merchant Cash Advance Agreement, dated 01/04/2024 ("Agreement"), inclusive of all addenda, if any, executed simultaneously therewith, by and between PAWN FUNDING ("PF") and ISUN INDUSTRIAL LLC AND ALL ENTITIES UNDER ADDENDUM M ("Merchant"). Each undersigned Guarantor hereby guarantees each Merchant's performance of all of the representations, warranties, and covenants made by each Merchant to PF in the Agreement, inclusive of all addenda, if any, executed simultaneously herewith, as the Agreement may be renewed, amended, extended, or otherwise modified (the "Guaranteed Obligations"). Each Guarantor's obligations are due at the time of any breach by any Merchant of any representation, warranty, or covenant made by any Merchant in the Agreement.

G2. Communications. PF and any of its agents or representatives may use automated telephone dialing, text messaging systems, and e-mail to provide messages to Guarantor(s) about Merchant(s)'s account. Telephone messages may be played by a machine automatically when the telephone is answered, whether answered by an Owner, a Guarantor, or someone else. These messages may also be recorded by the recipient's answering machine or voice mail. Each Guarantor gives PF and any of its agents or representatives permission to call or send a text message to any telephone number given to PF and any of its agents or representatives in connection with this Agreement and to play pre-recorded messages and/or send text messages with information about this Agreement and/or any Merchant's account over the phone. Each Guarantor also gives PF and any of its agents or representatives permission to communicate such information to them by e-mail. Each Guarantor agrees that PF and any of its agents or representatives will not be liable to any of them for any such calls or electronic communications, even if information is communicated to an unintended recipient. Each Guarantor acknowledges that when they receive such calls or electronic communications, they may incur a charge from the company that provides them with telecommunications, wireless, and/or Internet services, and that PF and any of its agents or representatives has no liability for any such charges.

G3. Guarantor Waivers. If any Event of Default takes place under the Agreement, then PF may enforce its rights under this Guarantee without first seeking to obtain payment from any Merchant, any other guarantor, or any Collateral PF may hold pursuant to this Guarantee or any other agreement or guarantee. PF does not have to notify any Guarantor of any of the following events and Guarantor(s) will not be released from its obligations under this Guarantee even if it is not notified of: (i) any Merchant's failure to pay timely any amount owed under the Agreement; (ii) any adverse change in any Merchant's financial condition or business; (iii) any sale or other disposition of any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; (iv) PF's acceptance of the Agreement with any Merchant; and (v) any renewal, extension, or other modification of the Agreement or any Merchant's other obligations to PF. In addition, PF may take any of the following actions without releasing any Guarantor from any obligations under this Guarantee: (i) renew, extend, or otherwise modify the Agreement or any Merchant's other obligations to PF; (ii) if there is more than one Merchant, release a Merchant from its obligations to PF such that at least one Merchant remains obligated to PF; (iii) sell, release, impair, waive, or otherwise fail to realize upon any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; and (iv) foreclose on any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations in a manner that impairs or precludes the right of Guarantor to obtain reimbursement for payment under the Agreement. Until the Receivables Purchased Amount and each Merchant's other obligations to PF under the Agreement and this Guarantee are paid in full, each Guarantor shall not seek reimbursement from any Merchant or any other guarantor for any amounts paid by it under the Agreement. Each Guarantor permanently waives and shall not seek to exercise any of the following rights that it may have against any Merchant, any other guarantor, or any collateral provided by any Merchant or any other guarantor, for any amounts paid by it or acts performed by it under this Guarantee: (i) subrogation; (ii) reimbursement; (iii) performance; (iv) indemnification; or (v) contribution.

G4. Joint and Several Liability. The obligations hereunder of the persons or entities constituting each Guarantor under this Guarantee are joint and several.

I have read and agree to the terms and conditions set forth above:

Designated by:

Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

G5. Choice of Law. Each Guarantor acknowledges and agrees that the Agreement and this Guarantee were made in the State of Florida, that the Purchase Price is being paid by PF in the State of Florida, that the Receivables Purchased Amount is being delivered to PF in the State of Florida, and that the State of Florida has a reasonable relationship to the transactions encompassed by the Agreement and this Guarantee. The Agreement, this Guarantee, any dispute or claim relating to the Agreement or this Guarantee, whether sounding in contract, tort, law, equity, or otherwise, the relationship between PF and each Merchant, and the relationship between PF and each Guarantor will be governed by and construed in accordance with the laws of the State of Florida, without regard to any applicable principles of conflict of laws.

G6. Venue and Forum Selection. Any litigation, whether sounding in contract, tort, law, equity, or otherwise, relating to this Agreement or this Guarantee or involving PF on one side and any Merchant or any Guarantor on the other must be commenced and maintained in any court located in the Counties of Broward or Miami-Dade in the State of Florida (the "Acceptable Forums"). The parties agree that the Acceptable Forums are convenient, submit to the jurisdiction of the Acceptable Forums, and waive any and all objections to the jurisdiction or venue of the Acceptable Forums. If any litigation is initiated in any other venue or forum, the parties waive any right to oppose any motion or application made by any party to transfer such litigation to an Acceptable Forum. Notwithstanding any provision in the Agreement or this Guarantee to the contrary, in addition to the Acceptable Forums, any application to obtain injunctive relief in aid of arbitration or to confirm an arbitration award for an arbitration conducted in the State of New York may be made in the Supreme Court of New York for Nassau County or the Civil Court of the City of New York for New York County and any action or proceeding to enforce a judgment or arbitration award against any Merchant or Guarantor or to restrain or collect any amount due to PF may be commenced and maintained in any other court that would otherwise be of competent jurisdiction, and each Merchant and each Guarantor agree that those courts are convenient, submit to the jurisdiction of those courts, waive any and all objections to the jurisdiction or venue of those courts, and may oppose any motion or application made by any party to transfer any such litigation to an Acceptable Forum.

G7. Jury Waiver. Each Guarantor agrees to waive trial by jury in any dispute with PF.

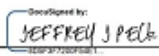
G8. Costs and Legal Fees. If an Event of Default occurs or PF prevails in any litigation or arbitration with any Merchant or any Guarantor, then each Merchant and/or Guarantor must pay PF's reasonable attorney fees, which may include a contingency fee, as well as administrative or filing fees and arbitrator compensation in any arbitration, expert witness fees, and costs of suit.

G9. Prejudgment and Postjudgment Interest. If PF becomes entitled to the entry of a judgment against any Merchant or any Guarantor, then PF will be entitled to the recovery of prejudgment interest at a rate of 18% per annum, or the maximum rate permitted by applicable law if less, and upon entry of any such judgment, it will accrue interest at a postjudgment rate of 18% per annum, or the maximum rate permitted by applicable law if less, which rate will govern over the statutory rate of interest up until actual satisfaction of the judgment.

G10. Class Action Waiver. PF, each Merchant, and each Guarantor agree that they may bring claims against each other relating to this Agreement only in their individual capacities, and not as a plaintiff or class action member in any purported class or representative proceedings.

G11. Arbitration. Any action or dispute, whether sounding in contract, tort, law, equity, or otherwise, relating to the Agreement, this Guarantee, or involving PF on one side and any Merchant or any Guarantor on the other, including, but not limited to issues of arbitrability, and including, without limitation, any action or dispute that predates this Guarantee, will, at the option of any party to such action or dispute, be determined by arbitration in the State of New York. A judgment of the court shall be entered upon the award made pursuant to the arbitration. The arbitration will be administered either by the American Arbitration Association under its Commercial Arbitration Rules as are in effect at that time, which rules are available at www.adr.org, by Arbitration Services, Inc. under its Commercial Arbitration Rules as are

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

in effect at that time, which rules are available at www.arbitrationservicesinc.com, by JAMS under its Streamlined Arbitration Rules & Procedures as are in effect at that time, which rules are available at www.jamsadr.com, or by Resolute Systems, LLC under its Commercial Arbitration Rules as are in effect at that time, which rules are available at www.resolutesystems.com. Once an arbitration is initiated with one of these arbitral forums, it must be maintained exclusively before that arbitral forum and no other arbitral forum specified herein may be used. As a prerequisite to making a motion to compel arbitration in any litigation, the party making the motion must first file a demand for arbitration with the chosen arbitral tribunal and pay all required filing and/or administrative fees. If the American Arbitration Association is selected, then notwithstanding any provision to the contrary in its Commercial Arbitration Rules, the Expedited Procedures will always apply and its Procedures for Large, Complex Commercial Disputes will never apply. Notwithstanding any provision to the contrary in the arbitration rules of the arbitral forum selected, the arbitration will be heard by one arbitrator and not by a panel of arbitrators, any arbitration relating to the Agreement or this Guarantee must be held in the Counties of Nassau, New York, Queens, or Kings in the State of New York, any party, representative, or witness in an arbitration hearing will be permitted to attend, participate, and testify remotely by telephone or video conferencing, and the arbitrator appointed will not be required to be a national of a country other than that of the parties to the arbitration.

Each Guarantor acknowledges and agrees that the Agreement and this Guarantee are the products of communications conducted by telephone and the Internet, which are instrumentalities of interstate commerce, that the transactions contemplated under the Agreement will be made by wire transfer and ACH, which are also instrumentalities of interstate commerce, and that the Agreement and this Guarantee therefore evidence a transaction affecting interstate commerce. Accordingly, notwithstanding any provision in the Agreement or this Guarantee to the contrary, all matters of arbitration relating to the Agreement or this Guarantee will be governed by and construed in accordance with the provisions of the Federal Arbitration Act, codified as Title 9 of the United States Code, however any application for injunctive relief in aid of arbitration or to confirm an arbitration award may be made under the arbitration laws of the State in which the arbitration is being conducted, the laws of the State of Florida, or the laws of the jurisdiction in which the application is made, and the application will be governed by and construed in accordance with the laws under which the application is made, without regard to any applicable principles of conflict of laws. The arbitration agreement contained herein may also be enforced by any employee, agent, attorney, member, manager, officer, subsidiary, affiliate entity, successor, or assign of PF and by any party to a lawsuit in which PF and any Merchant or any Guarantor are parties.

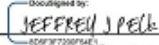
G12. Service of Process. Each Merchant and each Guarantor consent to service of process and legal notices made by First Class or Priority Mail delivered by the United States Postal Service and addressed to the Contact Address set forth on the first page of the Agreement or any other address(es) provided in writing to PF by any Merchant or any Guarantor, and unless applicable law or rules provide otherwise, any such service will be deemed complete 5 days after dispatch. Each Merchant and each Guarantor also consent to service of process and legal notices made by e-mail to the E-mail Address set forth on the first page of this Agreement or any other e-mail address(es) provided in writing to PF by any Merchant or any Guarantor, and unless applicable law or rules provide otherwise, any such service will be deemed complete upon dispatch. Each Merchant and each Guarantor agrees that it will be precluded from asserting that it did not receive service of process or any other notice mailed to the Contact Address set forth on the first page of the Agreement or e-mailed to the E-mail Address set forth on the first page of the Agreement if it does not furnish a certified mail return receipt signed by PF demonstrating that PF was provided with notice of a change in the Contact Address or the E-mail Address.

G13. Severability. If any provision of this Guarantee is deemed invalid or unenforceable as written, it will be construed, to the greatest extent possible, in a manner which will render it valid and enforceable, and any limitation on the scope or duration of any such provision necessary to make it valid and enforceable will be deemed to be part thereof. If any provision of this Guarantee is deemed void, all other provisions will remain in effect.

G14. Survival. The provisions of Sections G2, G3, G4, G5, G6, G7, G8, G9, G10, G11, G12, G13, G14, G15, G16, G17, and G18, shall survive any termination of this Guarantee.

G15. Headings. Headings of the various articles and/or sections of this Guarantee are for convenience only and

I have read and agree to the terms and conditions set forth above:

<p><small>DocuSigned by:</small>  Name: <u>JEFFREY J PECK</u> Title: <u>Owner</u> Date: <u>01/04/2024</u></p>	<p>Name: _____ Title: _____ Date: <u>01/04/2024</u></p>
--	---

STANDARD MERCHANT CASH ADVANCE AGREEMENT

do not necessarily define, limit, describe, or construe the contents of such articles or sections.


G16. Attorney Review ; No Construction Against PF. Each Guarantor acknowledges that it has had an opportunity to review this Guarantee, the Agreement, and all addenda with counsel of its choosing before signing the documents or has chosen not to avail itself of the opportunity to do so. The Agreement and this Guarantee will be construed without regard to the party or parties responsible for the preparation of same and will be deemed as prepared jointly by PF and each Merchant. Any ambiguity or uncertainty in the Agreement or this Guarantee will not be interpreted or construed against any party.

G17. Entire Agreement. This Guarantee, inclusive of all addenda, if any, executed simultaneously herewith may not be amended, modified, or canceled except in writing signed by all parties. Should there arise any conflict between this Guarantee and any other document preceding it, this Guarantee will govern. This Guarantee does not affect any previous agreement between the parties unless such an agreement is specifically referenced in the Agreement or herein. This Guarantee will not be affected by any subsequent agreement between the parties unless this Guarantee is specifically referenced therein.

G18. Counterparts; Fax and Electronic Signatures. This Guarantee may be executed electronically and in counterparts. Facsimile and electronic copies of this Guarantee will have the full force and effect of an original.

THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION SET FORTH IN THE "STANDARD MERCHANT CASH ADVANCE AGREEMENT", INCLUDING THE "TERMS AND CONDITIONS", ARE HEREBY INCORPORATED IN AND MADE A PART OF THIS GUARANTEE. CAPITALIZED TERMS NOT DEFINED IN THIS GUARANTEE SHALL HAVE THE MEANING SET FORTH IN THE STANDARD MERCHANT CASH ADVANCE AGREEMENT, INCLUDING THE TERMS AND CONDITIONS.

EACH UNDERSIGNED HEREBY ACCEPTS THE TERMS OF THIS GUARANTEE**GUARANTOR (#1)**

By: JEFFREY J PECK 
(Print Name) (Signature)

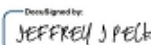
SS# 009-66-3788 Driver License Number 5106746A

GUARANTOR (#2)

By: _____
(Print Name) (Signature)

SS# _____ Driver License Number _____

I have read and agree to the terms and conditions set forth above:


 _____
Name: JEFFREY J PECK Name: _____

Title: Owner Title: _____

Date: 01/04/2024 Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

I have read and agree to the terms and conditions set forth above:

DocuSigned by:

604F3F7208F34E1
Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT

DECLARATION OF ORDINARY COURSE OF BUSINESS

Each undersigned hereby declares the following:

1. I am duly authorized to sign the Standard Merchant Cash Advance Agreement ("Agreement"), dated 01/04/2024, between PAWN FUNDING and ISUN INDUSTRIAL LLC ("Merchant") on behalf of Merchant.
2. This Declaration incorporates by reference the Agreement and every addendum to it.
3. The reason that I am signing the Agreement is because I require capital for my business.
4. I acknowledge that I am authorized to sign the Agreement and every addendum to it on behalf of each Merchant.
5. I acknowledge that I had sufficient time to review the Agreement and every addendum to it before signing it.
6. I acknowledge that I had an opportunity to seek legal advice from counsel of my choosing before signing the Agreement and every addendum to it.
7. I acknowledge that each Merchant is entering into the Agreement voluntarily and without any coercion.
8. I acknowledge that each Merchant is entering into the Agreement in the ordinary course of its business.
9. I acknowledge that the payments to be made from any Merchant to PAWN FUNDING under the Agreement are being made in the ordinary course of each Merchant's business.

I have read and agree to the terms and conditions set forth above:

Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

Page 19 of 20


STANDARD MERCHANT CASH ADVANCE AGREEMENT

10. I am aware of each Merchant's right to request a reconciliation of the payments made under the Agreement at any time.

11. **I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.**

Executed on 01/04/2024
(Date)

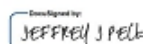
FOR THE MERCHANT/OWNER (#1)

By: JEFFREY J PECK Owner 
(Print Name) (Print Title) (Signature)

FOR THE MERCHANT/OWNER (#2)

By: _____
(Print Name) (Print Title) (Signature)

I have read and agree to the terms and conditions set forth above:


Name: JEFFREY J PECK
Title: Owner
Date: 01/04/2024

Name: _____
Title: _____
Date: 01/04/2024

STANDARD MERCHANT CASH ADVANCE AGREEMENT**BANK INFORMATION**

Dear Merchant,

We look forward to being your funding partner.

You authorize PAWN FUNDING to collect the Receivables Purchased Amount under this Agreement by ACH debiting your bank account with the bank listed below.

PAWN FUNDING will require viewing access to your bank account each business day.

PAWN FUNDING will also require viewing access to your bank account, prior to funding, as part of our underwriting process.

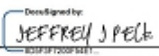
Please fill out the form below with the information necessary to access your account.

*** Be sure to indicate capital or lower case letters.**

Name of Bank:	NBT BANK NA
Name of account:	ISUN INDUSTRIAL LLC
Account number:	7100892043
Routing number:	021303618
Bank Portal Website:	
Username:	
Password:	
Security Question/Answer 1:	
Security Question/Answer 2:	
Security Question/Answer 3:	
Any other information necessary to access your account:	

If you have any questions please feel free to contact us directly at 929-263-2295.

I have read and agree to the terms and conditions set forth above:

Designated by: 	
Name: JEFFREY J PECK	Name:
Title: Owner	Title:
Date: 01/04/2024	Date: 01/04/2024

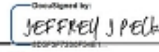
**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

This is an Addendum, dated 01/04/2024 to the Standard Merchant Cash Advance Agreement ("Agreement") of PAWN FUNDING ("PF"), dated 01/04/2024. This Addendum incorporates the Agreement by reference. Each Contact Address set forth in this Addendum will be treated as if it is set forth as a Contact Address on Page 1 of the Agreement. The terms of this Addendum will control to the extent they conflict with any of the terms in the Agreement.

The following entities and/or sole proprietorships will be a Merchant under the Agreement in addition to any Merchant listed on Page 1 of the Agreement:

Merchant #1's Legal Name: ISUN INDUSTRIAL LLC
D/B/A: ISUN INDUSTRIAL LLC
Type of Entity: Limited Liability Company Fed ID #: 47-2150172
Business Address: 400 Avenue D STE 10 City: Williston State: VT Zip: 05495
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #1

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #2

Merchant #2's Legal Name: ISUN, INC.
D/B/A: _____
Type of Entity: Corporation Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #2

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #3

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

Merchant #3's Legal Name: ISUN CORPORATE LLC

D/B/A: _____

Type of Entity: Limited Liability Company Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #3

By: JEFFREY J PECK, Owner _____
(Print Name and Title) (Signature)

FOR MERCHANT #4

Merchant #4's Legal Name: ISUN ENERGY LLC

D/B/A: _____

Type of Entity: Limited Liability Company Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #4

By: JEFFREY J PECK, Owner _____
(Print Name and Title) (Signature)

FOR MERCHANT #5

Merchant #5's Legal Name: ISUN UTILITY, LLC

D/B/A: _____

Type of Entity: Limited Liability Company Fed ID #: _____

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #5

By: JEFFREY J PECK, Owner
(Print Name and Title) _____
DocuSigned by: JEFFREY J PECK
(Signature)

FOR MERCHANT #6

Merchant #6's Legal Name: PECK ELECTRIC CO

D/B/A: _____

Type of Entity: Corporation Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #6

By: JEFFREY J PECK, Owner
(Print Name and Title) _____
DocuSigned by: JEFFREY J PECK
(Signature)

FOR MERCHANT #7

Merchant #7's Legal Name: ISUN RESIDENTIAL, INC.

D/B/A: _____

Type of Entity: Corporation Fed ID #: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

Email: _____ Phone Number: _____

FOR MERCHANT #7

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #8

Merchant #8's Legal Name: PECK ELECTRIC CO. CORPORATION
D/B/A: _____
Type of Entity: Corporation Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #8

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #9

Merchant #9's Legal Name: ISUN INDUSTRIAL, LLC
D/B/A: _____
Type of Entity: Limited Liability Company Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495

Email: _____ Phone Number: _____

FOR MERCHANT #9

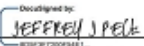
**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #10

Merchant #10's Legal Name: PECK MERCURY, INC.
D/B/A: _____
Type of Entity: Corporation Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #10

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #11

Merchant #11's Legal Name: ISUN UTILITY, LLC
D/B/A: _____
Type of Entity: Limited Liability Company Fed ID #: _____
Business Address: _____ City: _____ State: _____ Zip: _____
Contact Address: 618 Brennan Woods Drive City: Williston State: VT Zip: 05495
Email: _____ Phone Number: _____

FOR MERCHANT #11

By: JEFFREY J PECK, Owner 
(Print Name and Title) (Signature)

FOR MERCHANT #12

Merchant #12's Legal Name: SOLARCOMMUNITIES, INC

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM M
MERCHANT LIST**

D/B/A: _____

Type of Entity: _____

Corporation

Fed ID #: _____

Business Address: _____

City: _____

State: _____

Zip: _____

Contact Address: _____

618 Brennan Woods
Drive

City: Williston

State: VT

Zip: 05495

Email: _____

Phone Number: _____

FOR MERCHANT #12

By: _____ JEFFREY J PECK, Owner

(Print Name and Title)

DocuSigned by:
JEFFREY J PECK
ID: 6665D0B6-C824-4A2D-A2D2-765231E15481
(Signature)

FOR MERCHANT #13

Merchant #13's Legal Name: GREAT HORN FINANCIAL SERVICES, LLC

D/B/A: _____

Type of Entity: _____

Limited Liability Company

Fed ID #: _____

Business Address: _____

City: _____

State: _____

Zip: _____

Contact Address: _____

618 Brennan Woods
Drive

City: Williston

State: VT

Zip: 05495

Email: _____

Phone Number: _____

FOR MERCHANT #13

By: _____ JEFFREY J PECK, Owner

(Print Name and Title)

DocuSigned by:
JEFFREY J PECK
ID: 6665D0B6-C824-4A2D-A2D2-765231E15481
(Signature)

**STANDARD MERCHANT CASH ADVANCE AGREEMENT
ADDENDUM P
DEDUCTION(S) FROM PURCHASE PRICE FOR PAYOFF(S)**

This is an Addendum, dated 01/04/2024, to the Standard Merchant Cash Advance Agreement ("Agreement"), dated 01/04/2024, between PAWN FUNDING ("PF") and ISUN INDUSTRIAL LLC AND ALL ENTITIES UNDER ADDENDUM M ("Merchant").

Merchant(s) instruct PF to pay up to \$ 554,166.56 of the Purchase Price set forth in the Agreement to PAWN FUNDING - RP instead of to Merchant(s). The balance of the Purchase Price will be paid to Merchant(s).

Additional comments: _____

FOR THE MERCHANT/OWNER (#1)

By: JEFFREY J PECK
(Print Name)

Owner
(Print Title)

DocuSigned by:
JEFFREY J PECK
806F8F1200F04E1
(Signature)

FOR THE MERCHANT/OWNER (#2)

By: _____
(Print Name)

(Print Title)

(Signature)

LIST OF SUBSIDIARIES OF iSUN, INC.

Name:	Jurisdiction of Incorporation/Organization:
Peck Electric Co.	Vermont
iSun Residential, Inc.	Delaware
SolarCommunities, Inc.	Vermont
iSun Industrial, LLC	Delaware
Liberty Electric, Inc.	Delaware
iSun Utility, LLC	Delaware
iSun Corporate, LLC	Delaware
iSun Energy, LLC	Delaware

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statements of iSun, Inc. on Form S-3 (File No. 333-269358, File No. 333-268678, File No. 333-261237, File No. 333-249429, File No. 333-233931, File No. 333-233107 and File No. 333-275967) and Form S-8 (File No. 333-265624 and File No. 333-249714) of our report dated April 16, 2024, which includes an explanatory paragraph as to the Company's ability to continue as a going concern, with respect to our audits of the consolidated financial statements of iSun, Inc. as of December 31, 2023 and 2022 and for each of the two years in the period ended December 31, 2023, which report is included in this Annual Report on Form 10-K of iSun, Inc. for the year ended December 31, 2023.

/s/ *Marcum LLP*

Marcum LLP
New York, NY
April 16, 2024

CERTIFICATION

I, Jeffrey Peck, certify that:

1. I have reviewed this Annual Report on Form 10-K of iSun, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15 (f) and 15 (d)-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over the financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

/s/ Jeffrey Peck

**Chief Executive Officer and Interim Chief Financial Officer
(Principal Executive Officer)**

Date: April 16, 2024

CERTIFICATION

I, Jeffrey Peck, certify that:

1. I have reviewed this Annual Report on Form 10-K of iSun, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15 (f) and 15 (d)-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over the financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

/s/ Jeffrey Peck

**Interim Chief Financial Officer
(Principal Financial and Accounting Officer)**

Date: April 16, 2024

Certification
Pursuant To Section 906 of the Sarbanes-Oxley Act Of 2002
(Subsections (A) And (B) Of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of iSun, Inc, (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “Form 10-K”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey Peck

Chief Executive Officer and Interim Chief Financial Officer
(Principal Executive Officer)

Dated: April 16, 2024

iSUN, INC.

CLAWBACK POLICY

iSun, Inc. (the “Company”) will recover reasonably promptly the amount of erroneously awarded incentive-based compensation in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (an “accounting restatement”).

This policy applies to all incentive-based compensation received by a person:

1. after beginning service as an executive officer;
2. who served as an executive officer at any time during the performance period for that incentive-based compensation;
3. while the Company has a class of securities listed on a national securities exchange or a national securities association; and
4. during the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement; *provided* that this policy also applies to any transition period that results from a change in the Company’s fiscal year within or immediately following the three completed fiscal year period; *provided further* that a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year; *provided further* that this policy will only apply to incentive-based compensation received on or after October 2, 2023.

Incentive-based compensation is deemed received in the Company’s fiscal year during which the financial reporting measure specified in the incentive-based compensation award is attained, even if the payment or grant of the incentive-based compensation occurs after the end of that period.

For purposes of determining the relevant recovery period, the date that the Company is required to prepare an accounting restatement is the earlier to occur of:

1. the date the Company’s Board of Directors, a committee of the Board of Directors, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement; or
2. the date a court, regulator, or other legally authorized body directs the Company to prepare an accounting restatement.

The amount of incentive-based compensation that is subject to recovery under this policy (“erroneously awarded compensation”) is the amount of incentive-based compensation received that exceeds the amount of incentive-based compensation that otherwise would have been received

had it been determined based on the restated amounts. The amount of incentive-based compensation that is subject to recovery will be computed without regard to any taxes paid. For incentive-based compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement:

1. the amount will be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the incentive-based compensation was received; and
2. the Company will maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.

The Company will recover erroneously awarded compensation in accordance with this policy, except to the extent that any of the following conditions are met and the Company's Compensation Committee has made a determination that recovery would be impracticable:

1. the direct expense paid to a third party to assist in enforcing this policy would exceed the amount to be recovered; provided that before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on expense of enforcement, the Company will make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover and provide such documentation to Nasdaq;
2. recovery would violate home country law where that law was adopted prior to November 28, 2022; provided that before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on violation of home country law, the Company will obtain an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation and provide such opinion to Nasdaq; or
3. recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

The Company will not indemnify any executive officer or former executive officer against the loss of erroneously awarded compensation.

The Company will provide the required disclosures with respect to this policy in applicable Securities and Exchange Commission filings in accordance with the requirements of applicable securities laws on or after October 2, 2023.

For purposes of this policy, the following terms have the definitions set forth below:

"Executive officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the

Company's parent(s) or subsidiaries are deemed executive officers of the Company if they perform such policy making functions for the Company.

"Financial reporting measures" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also financial reporting measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission.

"Incentive-based compensation" means compensation that is granted, earned or vested based wholly or in part upon the attainment of a financial reporting measure.

This policy is not intended to limit the Company's ability to pursue other means to recover damages resulting from wrongdoing. The Company retains all rights it may have under applicable law.

This policy may be amended from time to time in the Company's sole discretion.

Notwithstanding the foregoing, this policy will be interpreted to comply with the applicable securities laws, including the requirements of (1) Section 10D of the Securities Exchange Act of 1934 (the "Exchange Act"), (2) Rule 10D-1 under the Exchange Act, and (3) the listing standards adopted by Nasdaq pursuant to Rule 10D-1, and, to the extent this policy is in any manner deemed inconsistent with such requirements, this policy shall be treated as retroactively amended to be compliant with such requirements.

Approved and Adopted: November 6, 2023
