ORIGINAL

OPEN MEETING AGENDA ITEM

0000113617

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2010 JUN 28 A 11: 53

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED
JUN 28 2010
DOCKETED BY

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

IN THE MATTER OF THE APPLICATION OF THE APPLICATION OF SOLARCITY FOR A DETERMINATION THAT WHEN IT PROVIDES SOLAR SERVICE TO ARIZONA SCHOOLS, GOVERNMENTS, AND NON-PROFIT ENTITIES IT IS NOT ACTING AS PUBLIC SERVICE COPRORATION PURSUANT TO ART. 15, SECTION 2 OF THE ARIZONA CONSTITUTION	DOCKET NO. E-20690A-09-0346 **SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT'S COMMENTS TO COMMISSIONER PIERCE'S JUNE 15, 2010 LETTER AND PROPOSED AMENDMENT NO. 1**

As directed by Commissioner Gary Pierce's letter to the Arizona Corporation Commission Docket Control dated June 15, 2010, Salt River Project ("SRP") submits its comments on Commissioner Pierce's Proposed Amendment No. 1 ("Pierce Amendment"). SRP opposes the Pierce Amendment and supports the Recommended Opinion and Order for the reasons set forth in its briefs and as set forth below.

SRP'S INTEREST IN THESE PROCEEDINGS

SRP recognizes that the industry is changing. The smart grid, renewable energy objectives, new technologies and fresh ways of looking at old technologies will drive new approaches and new market entrants. From a public policy perspective and from a consumer protection perspective, it is essential that our regulatory systems recognize the change and work flexibly to accommodate it.

In its previous briefs, SRP harkens back to the history and purpose of the Constitutional provisions creating the Corporation Commission. Though the industry is changing, the principals of the Constitution remain fundamental: "the purposes of

regulation are to preserve and promote those services which are indispensable to large segments of our population".[1] Though the drafters of the Constitution may not have anticipated distributed solar generation, they did understand that the provision of electricity is a special type of business deserving of special oversight. The Corporation Commission, no less today than in 1912, is charged with that duty. SRP and its customers are paying many millions of dollars in direct and indirect subsidies to encourage the development of distributed solar. In fact, since the program's inception, SRP has committed over $65 million in incentives to support the deployment of rooftop solar installations for its residential and commercial customers.

SRP is not in a position to review and regulate the private companies who partner with its customers to request subsidies. It is important for SRP, and it is important to SRP's customers, that the system provide appropriate consumer protection. The point of SRP's intervention and position in this case is to request that the Commission understand that new market entrants will be providing electricity services to customers, and that the Commission exercise appropriate oversight as is its Constitutional duty.

THE PIERCE AMENDMENT

A central premise of the Pierce Amendment is that the Commission cannot regulate all distributed solar installations, such as leases or purchases of solar equipment and therefore, the Commission should regulate nothing.

SRP contends that these circumstances direct the opposite conclusion. The Commission should exercise its jurisdiction to the extent set forth below. If some circumstances fall outside the jurisdiction, the gap should be addressed. The answer is not to abandon oversight entirely.

---

[1] *Petrolane-Arizona Gas Service v. Arizona Corp. Comm'n*, 119 Ariz. 257, 259, 580 P.2d 718, 720 (1978).

The Pierce Amendment misapprehends SRP's legal arguments. SRP argues that the Commission does not have the legal ability to pick and chose which businesses it regulates. SRP points out that the Constitution mandates regulation of businesses providing essential commodities to Arizonans. Only in very narrow circumstances, where electric service is incidental to another business, have the courts found exceptions. Artful arguments aside, there is no question that the sole purpose and result of an SSA is to furnish electricity to a customer.

The premise of SRP's arguments is that good regulation is complimentary to business. It would be surprising, and troubling, if the Commission were to conclude that its own activities are anti-business, or anti-development. The challenge to the Commission is to develop a regulatory structure that protects consumers, yet gives flexibility to businesses.

THIS IS NOT AN ACADEMIC ISSUE

If the ACC determines that the SSA business model does not warrant regulation, SRP believes that solar providers will begin to routinely offer SSAs in the residential and commercial sectors. SolarCity already offers SSAs through its PurePower program in California. A copy of SolarCity's website offering the PurePower program is attached as Exhibit "A".

While SRP does not currently see many "SSA" type solar agreements, as are at issue here, it sees quite a few leases. And what it sees is quite troubling from a consumer protection perspective. It is likely, or certain, that the same types of provisions will find their way into "SSA" agreements as they develop.

There are a number of contract provisions that have been presented to SRP customers, which cry out for review.[2] We believe the most significant provision could affect the sale of a customer's home.

[2] Attached as Exhibits "B" through "E" are residential leases from SolarCity, SunRun, Clean Energy Systems and Embedded Energy System.

12. Selling Your Home.

(a) If you sell your home you can:

(i) Transfer this Lease and the Monthly Payments. If the person buying your Home meets SolarCity's credit requirements, **then the person buying your Home can sign a transfer agreement assuming all of your rights and obligations under this Lease.**

(ii) Prepay this Lease and Transfer only the Use of the System. If the person buying your home does not meet SolarCity's credit requirements, but still wants the System, then you can (i) prepay the payments remaining on the Lease (*See* section 16(f)(i) and (ii)), (ii) add the cost of the Lease to the price of your home; and (iii) have the person buying your Home sign a transfer agreement to assume your rights and non-Monthly Payment obligations under this Lease. The System stays at your Home, the new owner of your Home does not make any Monthly Payments and has only to comply with the non-Monthly Payment portions of this Lease.

(iii) Prepay this Lease and Remove the System after Six Years. If your System has been installed for at least six (6) years (72 months) and the person buying your home does not want the System, you may prepay the payments remaining on the Lease (*See* section 16(f)(i) and (ii)). Your right to have the System removed at no cost to you in such case is covered by the Limited Warranty.

(iv) Move the System to your new Home. If you are moving to a new home in the same utility district, the System can be moved to your new home only pursuant to the Limited Warranty. You will need to pay all costs associated with relocating the System, execute and deliver to SolarCity an easement for the replacement premises and provide any third party consents or releases required by SolarCity in connection with the substitute premises.

SolarCity, Solar Lease.

Leases from other providers such as SunRun have similar provisions. In short, these types of provisions will impede a homeowner's ability to sell their home. Under these provisions a buyer can only assume a lease if they meet the solar companies' credit requirements. If the buyer fails to meet those requirements, the homeowners must prepay the lease amount. This could be a difficult task since the homeowner likely used an SSA because they didn't have the money to purchase a solar system in the first place. The homeowner is then left with the option of adding the price of the system to the price of the home. In the current real estate market this could be very

difficult.

Other provisions that raise concerns for consumer include:

Pricing

- Solar company will adjust lease payment to match any utility increase or decrease.
- Prices are subject to a fixed and automatic escalation.

Limitation of Liability/Loss or Damage

- If the system is damaged, homeowner must continue to make payments during the repair.
- Solar Company is liable to homeowner only for damage(s) or loss(es) directly attributable to solar company's gross negligence or willful misconduct.

Insurance

- Homeowner must carry homeowner's insurance that covers all damage to their property, including damage caused by solar company, as long as solar company was not grossly negligent.

Dispute Resolution Applicable Law

- JAMS Arbitration is required. The costs will be split between the customer and solar company unless the arbitrator determines it would be unconscionable.
- Homeowner will not start a dispute resolution proceeding until 45 days after providing notice.
- Homeowner will continue to make payments during the dispute resolution process.
- Remedies will be limited to those under the lease or California law.
- Lease is governed by Delaware law.

Term and Termination

- Automatic lease renewal for successive one-year terms at the end of the original lease unless the Homeowner provides notice to terminate at least 30 days prior to expiration.
- Automatic lease renewal for a 10-year period unless the homeowner provides notice to terminate at least 30 days prior to termination.
- Automatic lease renewal for one-year term each year at the end of the lease unless the homeowner provides notice to terminate. Payments for the new term will automatically adjust to solar company's current practices.

DETERMINING SAVINGS IS NOT AN EASY ANALYSIS

Contrary to popular belief, the kilowatt hours produced by photovoltaic solar are not all on peak. In fact, 70% of solar generation is off-peak during the summer

and 94% is off-peak during the winter. Yet, we see providers making price comparisons based on the price to a customer during the peak.

The analysis of the benefits and trade-offs are complex. Under the SSA agreements described in this docket, the customer is obligated to purchase all kWh output, both on and off-peak, all at a fixed price. The analysis requires the customer to determine the best price plan from its retail provider, and then compare the customer's projected actual usage, hour by hour, against the alternatives. It also requires an analysis of the actual impact of net metering, and in some cases, the impact of wholesale buy-back prices.

In SRP's experience even sophisticated customers have difficulty computing the cost implications of the solar systems. Generally, user analyses far underestimate the non-peak hours, and fail to factor in variable pricing. By failing to conduct a proper analysis (which is quite difficult) customers often overestimate the economic benefit of solar which can result in future billing surprises and frustrated expectations. The exceptions filed by the Residential Utility Consumer Office included an attachment purporting to identify savings that the Scottsdale Unified School District would achieve through the use of SSAs. Unfortunately, it appears that the analysis in that attachment does not account for the peak versus non-peak pricing and, therefore, Scottsdale may not achieve the expected savings.

Of course, smaller schools and "non-profits" are at a greater disadvantage. These vulnerable customers will be forced to rely on the claims of the solar providers; claims that, if the Pierce Amendment is adopted, will be reviewed by nobody. Solar City noted in its exceptions that solar SSA agreements for schools fall within the provisions of A.R.S. § 15-213.01 as Solar City is providing a "renewable energy project". If this is the case, the contracts presented in this docket are facially in violation of Arizona law because the agreements fail to include a guaranteed savings clause as required by A.R.S. § 15-213.01(J). And, if this statute is not

applicable, the statute at a minimum demonstrates the legislature's desire to provide particular protection to schools when dealing in alternative energy products.

COMMISSION OVERSIGHT IS THE RIGHT APPROACH

It has been argued that an SSA is "self regulating" because the customer only pays for electricity produced and delivered. This argument ignores the possible confusion, and even deception that takes place in the critical period of contracting. It ignores the confusion and difficulties for customers to compare prices and terms. And, it ignores possible future issues where a provider fails to live by the terms of the agreement.

Light handed oversight would address these and other issues by, for example:

1. Where issues exist the Commission might develop standardized disclosure requirements.

2. The Commission might develop standardized terms to help customers better understand the contracts.

3. The Commission, in conjunction with the utilities, might provide an online "calculator" to help customers compare prices and terms.

4. The Commission would be a central location for complaints, providing its unique expertise to handle this complex area.

5. The oversight would provide a template for other market entrants and technologies as they develop.

SRP'S RECOMMENDATION

SRP's recommendation is simple and easy to implement. It will not deter solar investment. In fact, an easily understood system with wide applicability will encourage market entrants and new investment.[3]

---

[3] SRP points out that this docket is quite limited. It only applies to schools, governments and non-profits. This leaves the much broader market, businesses and residential users, in a state of limbo. The adoption of the recommended opinion and order would clear the way for a comprehensive and quick look at the entire distributed solar market.

SRP asks that the Commission engage appropriate oversight to protect customers yet provide ease and flexibility for entry. In its brief SRP suggested these simple components of oversight:

1. A single entity would make application to the Commission, on a form provided by the Commission. As with corporations, the services of an attorney would not be needed to complete and file the form.

2. The form would generally describe the services to be provided (e.g. solar generation to be located on the customer premises).

3. The form would state approximate values of the property to be installed (e.g. the value of the solar installation will range between --- and --- per kilowatt of output (without giving up competitive information).

4. The form would state a range of prices and services to be offered to customers and assert that the prices will be reasonably reflective of the value of the plant devoted to service.

5. Based on the information on the form, the Commission would issue a solar CC&N. The CC&N would allow the applicant to serve as the general partner for any entity providing service under a "solar services agreement".

6. Once granted, the applicant would provide a copy of each contract to the Commission on a confidential basis. If the Commission does not formally object to the terms of the contract within thirty days, the contract will be deemed approved by the Commission without further action.

7. The solar industry would pay reasonable fees to cover the costs of the Commission's efforts.

8. The Commission would work to develop standardized disclosures and contracting terms to assure customer understanding and avoidance of risk.

Others, particularly WRA, have argued that regulation must be cumbersome and expensive by law. This is simply not the case, as the Commission is free to

apply varied levels of oversight depending upon the need and business realities. The eight points listed above would meet the "fair value" and "just and reasonable" requirements of the Constitution, yet provide for great ease and flexibility. This is all that is required under the Phelps Dodge ruling[4].

But, most importantly it would place the Commission in a position to protect customers, to the extent that customers need protecting, as the Commission has done from its inception.

CONCLUSION

The Recommended Opinion and Order got it right, both on law and policy. There is a reason that the Commission was set up as a special constitutional body to regulate the provision of essential services. It is because regulation of these industries requires special expertise and resources.

This is not the job for the Registrar of Contractors. It is not the job of the Attorney General. It is not the job of Better Business Bureaus. It is the job of the Commission.

SRP requests that the Commission carry out its Constitutional mandate and adopt the recommended opinion and order.

DATED this 28th day of June, 2010.

JENNINGS, STROUSS & SALMON, P.L.C.

By
Kenneth C. Sundlof, Jr.
One East Washington Street, Suite 1900
Phoenix, AZ 85004-2554
Attorneys for Salt River Project Agricultural Improvement & Power District

[4] Providing an approximation of the investment would meet the Phelps Dodge interpretation of the Constitution that the Commission "consider" the fair value. The range of prices and the ability of the Commission to review contracts would meet the "just and reasonable" standard. *See Phelps Dodge Corporation v. Arizona Electric Power Cooperative, Inc.*, 207 Ariz. 95, 106, 83 P.3d 573, 584 (Ariz.App.Div.1 2004).

ORIGINAL and 13 copies filed this 28th day of June, 2010, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

COPY emailed this 28th day of June, 2010, to:

All parties of record

By: Michelle Mason

EXHIBIT "A"

EXHIBIT
TEP/UNS-3
ADMITTED

SolarCity

Photo Gallery

Video

News

SolarCity Announces New Residential Solar Service in Oregon, Plans to Expand Local Operations

SolarCity and U.S. Bank Expand Fund to Finance Solar Projects

SolarCity and Rabobank Announce Corridor of Solar-Powered Electric Vehicle Charging Stations

SolarCity Introduces Solar Lease to Customers of Nation's Largest Municipal Utility

SolarCity Introduces Affordable Solar Financing Option for Small, Medium and Large Businesses

Join Our Community

Share Page

Home > Residential > Pure Power

PurePower

With SolarCity's new PurePower™ service, you pay purely for the power you produce each month.

$0 to Go Solar

Now you can install a home solar system for $0 upfront cost, because you are not buying the solar equipment—you are just buying the solar power.

Pay as You Go

With PurePower service, you pay only for the solar electricity you produce each month. SolarCity combines all available government incentives into one low solar electricity rate.

You pay the same rate for your solar electricity as you currently pay your utility company today—so you can switch to clean solar power for no extra cost!

Plus, with PurePower you are locking in a low cost of electricity. No matter how much utility rates continue to increase, your solar electricity rate will be predictable for the long run.

Smart Financial Decision

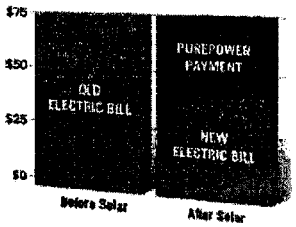
PurePower can be better than purchasing a solar system for $20,000+ because you can save your money for other opportunities. When you purchase a solar system, you are essentially pre-paying 30 years worth of electricity; but with PurePower service you pay as you go.

PurePower is a Power Purchase Agreement (PPA). A PPA is a financing plan commonly used in the solar industry by most businesses when they install a solar system, including Intel, Walmart and Whole Foods.

Free Maintenance and Monitoring Service

With PurePower, we install and maintain the equipment

PurePower Example
For a Typical 3 Bedroom Home



For a typical 3-bedroom home with a current electric bill of $75 per month, we might recommend a medium sized 3.5 kW solar system.

Your new solar system will generate enough electricity to offset what you are currently paying the utility company from $75 down to $45 per month.

Your solar payment would be $0 down and $30 per month. So you can switch to solar at no extra cost.

on your home, so you don't have to worry about ongoing maintenance costs. SolarCity owns the equipment and is responsible for repairs, such as inverter replacement.

PurePower includes SolarGuard® proactive monitoring for the full life of the term. SolarGuard allows you and SolarCity to continuously monitor your system to ensure it is running smoothly and performing as expected.

In the unlikely event that your system underperforms, we will alert you and help to diagnose the issue, and dispatch a repair crew, free of charge, if necessary. The good news is that solar panels typically last up to 30 years or longer, and have few moving parts. So once systems are installed, they require little ongoing maintenance.

Flexibility to Upgrade the System Later

PurePower is a very flexible way to go solar. Your solar advisor will help you determine how much electricity you want to offset. Then we will size your solar system to meet your objectives. Your payment will remain level and consistent throughout each year of the agreement.

When your PurePower term ends, you have several good options including upgrading to a new system with the latest solar technology under a new PurePower agreement. You also have the option (but no obligation) to purchase the system at the end of the term for fair market value. Or you can ask SolarCity to remove your system for free.

If you sell your home before the end of the agreement, you can transfer the PurePower service to the new owners if they qualify with excellent credit, or you can prepay the expected solar electricity costs for the remainder of the term and add it to your home asking price. A solar system will help differentiate your home from other properties on the market—new buyers are looking for green homes that are energy efficient and will help them save money on energy costs.

Financing and Service Options

In some states and utility districts, SolarCity's financing plan is called SolarLease. PurePower is not available in all areas. To find out which plans are available in your area, go through our Solar Calculator.

To qualify for financing, you need to have excellent credit (a FICO score of 700 or greater).

EXHIBIT "B"

SolarCity

SolarLease™

SolarCity® Corporation 393 Vintage Park Drive Foster City, CA 94404 CA: CSLB 888104 AZ: ROC245450 AZ: ROC243771	Homeowner Name and Address: Co-Owner Name (If any): Installation Location:

1. **Solar Panel System Lease; Introduction.**

This SolarLease (this "Lease") is the agreement between you and SolarCity Corporation (together with its successors and assigns, "SolarCity" or "we"), covering the lease to you of the solar panel system (the "System") described below. SolarCity agrees to lease to you, and you agree to lease from SolarCity, the System on the terms and conditions described in this Lease. The System will be installed by SolarCity at the address you listed above. This Lease will refer to this address as the "Property" or your "Home." This Lease is ten (10) pages long and has three (3) Exhibits. This is a legally binding agreement, so please read everything carefully including **Exhibit 3**, which sets forth any rights you may have based on the state in which you live. This Lease has disclosures required by the Federal Consumer Leasing Act and, where applicable, state law, as part of this Lease. If you have any questions regarding this Lease, please ask your SolarCity sales representative. This Lease is effective beginning on the day you sign it. SolarCity has provided you with a Performance Guaranty and Limited Warranty (the "Limited Warranty"). SolarCity has also provided you with a System Guide entitled "Solar Operation and Maintenance Guide" (the "Guide"), which contains important operation, maintenance, service and warranty information. Please read the Limited Warranty and the Guide carefully.

2. **Lease Term.**

SolarCity agrees to lease you the System for 15 years (180 full calendar months), plus, if the Interconnection Date is not on the first day of a calendar month, the number of days left in that partial calendar month, including the Installation Date. We refer to this period of time as the "Lease Term." The Lease Term begins on the Interconnection Date. The Interconnection Date is the date that the System is fully up and running and generating energy.

3. ***Description of the Solar Panel System You Are Leasing.***

ITEM
4.920 kW DC (STC) photovoltaic system
Photovoltaic Modules
Inverter(s)
Mounting system
Monitoring system
Electric meter number:
The estimated average price per kWh over the term is: $0.118

4. <u>Lease Payments; Amounts.</u>

A. Amount Due at Lease Signing or Delivery:	B. Monthly Payments (taxes not included):
Amount Due at Lease Signing: None. First Monthly Payment: $ 985.22 Tax on First Monthly Payment: $ 14.78 Delivery/Installation Fee: None. Total $ 1,000.00	Your first Monthly Payment of $985.22 is due two weeks prior to installation, covering the first full calendar month of the Term, followed by 11 monthly Payments of $37.30 each, followed by 12 Monthly Payments of $38.60 each, followed by 12 Monthly Payments of $39.96 each, followed by 12 Monthly Payments of $41.35 each, followed by 12 Monthly Payments of $42.80 each, followed by 12 Monthly Payments of $44.30 each, followed by 12 Monthly Payments of $45.85 each, followed by 12 Monthly Payments of $47.45 each, followed by 12 Monthly Payments of $49.12 each, followed by 12 Monthly Payments of $50.83 each, followed by 12 Monthly Payments of $52.61 each, followed by 12 Monthly Payments of $54.45 each, followed by 12 Monthly Payments of $56.36 each, followed by 12 Monthly Payments of $58.33 each, followed by 12 Monthly Payments of $60.38 each. The total of your Monthly Payments is $9,584.36. Your first monthly payment is due on the first day of the first full calendar month following the Interconnection Date. Each Monthly Payment thereafter is due on the first day of the calendar month. **All payments include an automatic payment discount of $10. Your monthly Lease payment will increase by $10 if you do not make automatic monthly Lease payments from your checking or savings account.**
C. Other Charges: None.	**D. Total of Payments:** (The amount you will have paid by the end of this Lease) $ <u>9,584.36</u> (total of Monthly Payments, and any other amounts specified in this Section 4; **does not include any additional installation cost or taxes)**
E. Purchase Option At End of Lease Term: You do not have an option to purchase the System at the end of the Lease Term.	**F. Other Important Terms:** See Section 2 above for additional information on the Lease Term and also see below for additional information on termination, purchase options, renewal options, maintenance responsibilities, warranties, late and default charges and prohibition on assignment without SolarCity's consent.

5. **Lease Obligations.**

(a) You agree to:

(i) make the payments required by this Lease;

(ii) notify us *within 24 hours* if you discover that the System is not working correctly;

(iii) notify us *immediately* upon the discovery of an emergency condition relating to the System, damage to the System or theft of the System;

(iv) only have the System repaired pursuant to the Limited Warranty and reasonably cooperate with the person performing the repairs when repairs are being made;

(v) keep trees, bushes and hedges trimmed so that the System receives as much sunlight as it did when SolarCity installed it;

(vi) not modify your Home in a way that shades the System;

(vii) permit SolarCity, after we give you reasonable notice, to inspect the System for proper operation as we reasonably determine necessary;

(viii) not move the System, or permit anyone else to move the System, except as permitted by the Limited Warranty;

(ix) not do anything, permit or allow to exist any condition or circumstance which would cause the system not to operate as intended at the Property;

(x) not use the System to heat a swimming pool;

(xi) use the System primarily for personal, family or household purposes;

(xii) not remove any markings or identification tags on the System;

(xiii) keep the panels clean, pursuant to the Limited Warranty and the Guide;

(xiv) reasonably cooperate with SolarCity so that it may claim any tax credits, rebates or benefits from the System; this may include filing applications for rebates from the federal, state or local, government or a local utility and giving these tax credits, rebates or benefits to SolarCity. You agree that you will not claim, or take any action, or fail to take any action, including claiming any tax credits respecting the System on any tax return, that may jeopardize SolarCity's ability to receive, such tax credits, rebates or other benefits; and

(xv) be responsible for any conditions at your Home that affect the installation (e.g. blocking access to the roof) and to allow SolarCity adequate time and access to complete the installation.

(b) Return Fees; Late Charges; Checks; Automatic Payment. In addition to the other amounts you agree to pay in this Lease, you agree to pay the following:

(i) Returned Check Fee: $25 for any check or withdrawal right that is returned or refused by your bank;

(ii) Late payments accrue interest at twelve percent (12%) annually or the maximum allowable by applicable law; and

(iii) A $10 monthly fee if you do not make automatic Monthly Payments through your checking or savings account.

(c) Insurance. SolarCity shall insure the System against all damage or loss unless that damage or loss is (i) caused by your gross negligence; or (ii) you intentionally damage the System.

(d) Estimated Taxes: You agree to pay any applicable sales or use taxes on the Monthly Payments due under this Lease. If this Lease contains a purchase option at the end of the Lease Term, you agree to pay any applicable tax on the purchase price for the System. You also agree to pay as invoiced any applicable personal property taxes on the System that your local jurisdiction may levy. The total estimated amount you will pay for taxes over the Lease Term is $180.92.

(e) No Alterations. You agree that you will not make any modifications, attachments, improvements, revisions or additions to the System or take any other action that could void the Limited Warranty on the System without SolarCity's prior written consent. If you make any modifications, attachments, improvements, revisions or additions, they will become part of the System and shall be SolarCity's property.

(f) Home Renovations. If you want to make any repairs or improvements to the Property that could interfere with the System (such as repairing the roof where the System is located), you may only remove and replace the System pursuant to the Limited Warranty.

(g) Access to the Solar Panel System; Easement.

(i) You grant to SolarCity and its agents, employees and contractors the right to reasonably access all of the Property for the purposes of (a) installing, constructing, operating, owning, repairing, accessing, removing and replacing the System or making any additions to the System or installing complementary technologies on or about the location of the System; (b) enforcing SolarCity's rights as to this Lease and the System; (c) installing, using and maintaining electric lines and inverters and meters, necessary to interconnect the System to your electric system at the Property and/or to the utility's electric distribution system; or (d) as reasonably necessary in connection with the construction, installation, operation, maintenance, removal or repair of the System. This access right shall continue for up to ninety (90) days after this Lease expires to provide SolarCity with time to remove the System at the end of the Lease. SolarCity shall provide you with reasonable notice of its need to access the Property whenever commercially reasonable.

(ii) During the time that SolarCity has access rights you shall ensure that its access rights are preserved and shall not interfere with or permit any third party to interfere with such rights or access. If SolarCity requests, you will sign an easement that sets out in writing (i) SolarCity's right to access the Property; and/or (ii) that the System is not a fixture. SolarCity may record this easement in the appropriate manner in the public records. You also grant SolarCity the right to file any UCC-1 financing statement or fixture filing that confirms its interest in the System.

(h) Indemnity. To the fullest extent permitted by law, you shall indemnify, defend, protect, save and hold harmless SolarCity, its employees, officers, directors, agents, successors and assigns from any and all third party claims, actions, costs, expenses (including reasonable attorneys' fees and expenses), damages, liabilities, penalties, losses, obligations, injuries, demands and liens of any kind or nature arising out of, connected with, relating to or resulting from your negligence or willful misconduct; provided, that nothing herein shall require you to indemnify SolarCity for its own negligence or willful misconduct. The provisions of this paragraph shall survive termination or expiration of this Lease.

(i) Monthly Payments. The Monthly Payments section (Section 4(B)) describes your monthly payment obligations under this Lease. YOU AGREE THAT THIS IS A NET LEASE AND THE OBLIGATION TO PAY ALL MONTHLY PAYMENTS AND ALL OTHER AMOUNTS DUE UNDER THIS LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL UNDER ALL CIRCUMSTANCES AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, DEFENSE, COUNTERCLAIM, SETOFF, RECOUPMENT OR REDUCTION FOR ANY REASON WHATSOEVER, IT BEING THE EXPRESS INTENT OF THE PARTIES THAT ALL AMOUNTS PAYABLE BY YOU HEREUNDER SHALL BE AND CONTINUE TO BE PAYABLE IN ALL EVENTS INCLUDING BY YOUR HEIRS AND ESTATE AND, EXCEPT AS SET FORTH BELOW, YOU HEREBY WAIVE ALL RIGHTS YOU MAY HAVE TO REJECT OR CANCEL THIS LEASE, TO REVOKE ACCEPTANCE OF THE SYSTEM, OR TO GRANT A SECURITY INTEREST IN THE SYSTEM.

(j) Lease Obligations Separate from Limited Warranty. SolarCity's obligations under this Lease are separate and independent from its obligations under the Limited Warranty it will provide you. A breach of the provisions of the Limited Warranty will not be a default by SolarCity under this Lease because they are separate agreements.

6. **Conditions Prior to Installation of the System.**

(a) SolarCity's obligation to install and lease the System are conditioned on the following items having been completed to its reasonable satisfaction:

(i) completion of a physical inspection of the Property, including if applicable geotechnical work, and real estate due diligence to confirm the suitability of the Property for the construction, installation and operation of the System;

(ii) approval of this Lease by SolarCity's financing partner(s);

(iii) confirmation of rebate, tax credit and renewable energy credit payment availability in the amount used to calculate the Monthly Payment amounts set forth in this Lease;

(iv) confirmation that SolarCity will obtain all applicable benefits referred to in Section 9; and

(v) receipt of all necessary zoning, land use and building permits.

SolarCity may terminate this Lease without liability if, in its reasonable judgment, any of the above listed conditions will not be satisfied for reasons beyond its reasonable control.

7. **Warranty.**

The Limited Warranty is separate from this Lease. No rights provided to you by the Limited Warranty may be asserted under this Lease. No warranty is made in this Lease. Therefore, any warranty claim must be made independently of this Lease and will not affect your obligations under this Lease.

YOU UNDERSTAND THAT THE SYSTEM IS WARRANTED UNDER THE LIMITED WARRANTY, AND THAT THERE ARE NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR ANY PURPOSE, CONDITION, DESIGN, CAPACITY, SUITABILITY OR PERFORMANCE OF THE SYSTEM OR ITS INSTALLATION, AND YOU LEASE THE SYSTEM "AS IS."

8. **Transfer.**

SolarCity may assign, sell or transfer the System and this Lease. Assignment, sale or transfer generally means that SolarCity would transfer certain of its rights and certain of its obligations under this Lease to another party. Upon such transfer, SolarCity Corporation shall retain, and the other party will have no obligation for, SolarCity Corporation's installation obligations under Section 1 and its obligations under the Limited Warranty or the Guide.

9. **Ownership of the System; Tax Credits and Rebates.**

You understand and agree that this is a lease and not a sale agreement. SolarCity owns the System for all purposes, including any data generated from the system. You agree that the System is SolarCity's personal property under the Uniform Commercial Code. You shall at all times keep the System free and clear of all liens, claims, levies and legal processes not created by SolarCity, and shall at your expense protect and defend SolarCity against the same.

YOU UNDERSTAND AND AGREE THAT ANY AND ALL TAX CREDITS, INCENTIVES, RENEWABLE ENERGY CREDITS, GREEN TAGS, CARBON OFFSET CREDITS, UTILITY REBATES OR ANY OTHER NON-POWER ATTRIBUTES OF THE SYSTEM ARE THE PROPERTY OF AND FOR THE BENEFIT OF SOLARCITY, USABLE AT ITS SOLE DISCRETION. SOLARCITY SHALL HAVE THE EXCLUSIVE RIGHT TO ENJOY AND USE ALL SUCH BENEFITS, WHETHER SUCH BENEFITS EXIST NOW OR IN THE FUTURE.

10. **Options to Purchase the Solar Panel System Prior to the End of the Lease Term.**

You may not purchase the System prior to the end of the Lease Term.

11. **Option to Renew Your Lease.**

You have the option to renew your Lease Term for up to fifteen (15) years in three (3) five (5) year renewal periods. We will send you renewal forms three (3) months prior to the expiration of the Lease Term, which forms shall set forth the new Monthly Payments due under the renewal Lease, based on our assessment of the then current fair market value of the System. If you want to renew and you are in compliance with this Lease, complete the renewal forms and return them to us at least one (1) month prior to the end of the Lease. In the event that you do not agree to the new Monthly Payments or do not submit a renewal form, the Lease shall expire by its terms on the termination date.

12. **Selling Your Home.**

(a) If you sell your home you can:

(i) Transfer this Lease and the Monthly Payments. If the person buying your Home meets SolarCity's credit requirements, then the person buying your Home can sign a transfer agreement assuming all of your rights and obligations under this Lease.

(ii) Prepay this Lease and Transfer only the Use of the System. If the person buying your home does not meet SolarCity's credit requirements, but still wants the System, then you can (i) prepay the payments remaining on the Lease (*See* section 16(f)(i) and (ii)), (ii) add the cost of the Lease to the price of your home; and (iii) have the person buying your Home sign a transfer agreement to assume your rights and non-Monthly Payment obligations under this Lease. The System stays at your Home, the new owner of your Home does not make any Monthly Payments and has only to comply with the non-Monthly Payment portions of this Lease.

(iii) Prepay this Lease and Remove the System after Six Years. If your System has been installed for at least six (6) years (72 months) and the person buying your home does not want the System, you may prepay the payments remaining on the Lease (*See* section 16(f)(i) and (ii)). Your right to have the System removed at no cost to you in such case is covered by the Limited Warranty.

(iv) Move the System to your new Home. If you are moving to a new home in the same utility district, the System can be moved to your new home only pursuant to the Limited Warranty. You will need to pay all costs associated with relocating the System, execute and deliver to SolarCity an easement for the replacement premises and provide any third party consents or releases required by SolarCity in connection with the substitute premises.

(b) You agree to give SolarCity at least one (1) month's but not more than three (3) months' prior written notice if you want someone to assume your Lease obligations. In connection with this assumption, you, your approved buyer and SolarCity shall execute a written transfer of this Lease. SolarCity may charge you a transfer review fee of two hundred fifty dollars ($250). Unless we have released you from your obligations in writing, you are still responsible for performing under this Lease. If your buyer defaults on this Lease and we have not yet signed the transfer agreement, you will be responsible for its default. We will release you from your obligations under this Lease in writing once we have a signed transfer agreement with the person buying your Home (provided such person has been approved as a transferee by SolarCity in writing).

(c) If you sell your home and can't comply with any of the options in subsection (a) above, you will be in default under this Lease. Section 12(a) includes a home sale by your estate or heirs.

(d) EXCEPT AS SET FORTH IN THIS SECTION, YOU WILL NOT SUBLEASE, ASSIGN, SELL, PLEDGE OR IN ANY OTHER WAY TRANSFER YOUR INTEREST IN THE SYSTEM OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD.

13. Loss or Damage.

(a) Unless you are grossly negligent or you intentionally damage the System, SolarCity will bear all of the risk of loss, damage, theft, destruction or similar occurrence to any or all of the System. Except as expressly provided in this Lease, no loss, damage, theft or destruction will excuse you from your obligations under this Lease, including Monthly Payments. .

(b) If there is loss, damage, theft, destruction or a similar occurrence affecting the System, and you are not in default of this Lease, you shall continue to timely make all Monthly Payments and pay all other amounts due under the Lease and, cooperate with SolarCity, at SolarCity's sole cost and expense, to have the System repaired pursuant to the Limited Warranty.

(c) SolarCity shall have the right, but not the obligation, to repair or remedy any defective or dangerous condition with respect to the System and bill you for the reasonable cost and expense of such repairs. Some or all of these obligations may be covered by the Limited Warranty.

14. Limitation of Liability.

(a) ***No Consequential Damages.*** ***SOLARCITY'S LIABILITY TO LESSEE UNDER THIS LEASE SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY. LESSEE AGREES THAT IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR INDIRECT DAMAGES.***

(b) ***Actual Damages.*** ***Except for claims under section 5(h), neither party's liability to the other will exceed an amount equal to the maximum amount that could be payable by you under Section 16(f). Damages to your home, belongings or property during the installation of the System or resulting from the System are covered in the Performance Guaranty and Limited Warranty Agreement provided by SolarCity.***

15. Default.

You will be in default under this Lease if any one of the following occurs:

(a) you fail to make any payment when it is due and such failure continues for a period of ten (10) days;

(b) you fail to perform any material obligation that you have undertaken in this Lease (which includes doing something you have agreed not to do, like alter the System) and such failure continues for a period of fifteen (15) days after written notice;

(c) you or your guarantor have provided any false or misleading financial or other information to obtain this Lease;

(d) you assign, transfer, encumber, sublet or sell this Lease or any part of the System without SolarCity's prior written consent;

(e) you or any guarantor makes an assignment for the benefit of creditors, admits in writing its insolvency, files or there is filed against you or it a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent or undertakes or experiences any substantially similar activity.

16. **Remedies in Case of Default.**

If this Lease is in default, we may take any one or more of the following actions. If the law requires us to do so, we will give you notice and wait any period of time required before taking any of these actions. We may:

(a) terminate this Lease and your rights to possess and use the System;

(b) take any reasonable action to correct your default or to prevent our loss; any amount we pay will be added to the amount you owe us and will be immediately due;

(c) require you, at your expense, to return the System or make it available to us in a reasonable manner;

(d) proceed, by appropriate court action, to enforce performance of this Lease and to recover damages for your breach;

(e) take back the System by legal process or self-help, but we may not breach the peace or violate the law;

(f) recover from you (i) all accrued but unpaid monthly payments, taxes, late charges, penalties, interest and all or any other sums then accrued or due and owing, plus (ii) the unpaid balance of the aggregate rent, each payment discounted to present value at 5% per annum, plus (iii) reasonable compensation, on a net after tax basis assuming a tax rate of 35%, for the loss or recapture of (A) the investment tax credit equal to thirty percent (30%) of the System cost, including installation; and (B) accelerated depreciation over five (5) years equal to eighty five percent (85%) of the System cost, including installation, and for the loss of any anticipated benefits pursuant to Section 9 of the Lease (SolarCity shall furnish Lessee with a detailed calculation of such compensation if a claim is made therefore); or

(g) use any other remedy available to us in this Lease or by law.

You agree to repay us for any reasonable amounts we pay to correct or cover your default. You also agree to reimburse us for any costs and expenses we incur relating to the System's return resulting from early termination. **By choosing any one or more of these remedies, SolarCity does not give up its right to use another remedy.** By deciding not to use any remedy should this Lease be in default, SolarCity does not give up our right to use that remedy in case of a subsequent default.

17. **Returning the System at the End or upon Termination of This Lease; Early Termination.**

(a) Returning the Solar Panel System at the End or Termination of This Lease. If you don't renew this Lease, then there are three (3) possibilities with respect to returning or keeping the System at the end or termination of this Lease:

(i) If at the end or termination of this Lease Term you have not defaulted on this Lease, and you have not exercised your purchase option (if any), then within ninety (90) days:

(A) SolarCity may at its choosing, remove the System from your home at no cost to you; or

(B) if SolarCity does not tell you that it wants to remove the System and you want to have the System removed from your Home at no cost to you, you must make a claim under the Limited Warranty which governs your rights in this respect.

(ii) If at the end or termination of this Lease you are in default, and SolarCity chooses to remove the System from your Home then you agree to pay SolarCity the reasonable expense of removing the System from your Home.

(iii) If at the end or termination of this Lease SolarCity chooses not to remove the System and you do not require removal within 90 days pursuant to the Limited Warranty, then you will be considered to be the new owner of the System and it will automatically be conveyed to you AS IS, WHERE IS.

(b) Early Termination after 6 years. If your System has been installed for less than six (6) years (72 months), you are not entitled to terminate the Lease. If your System has been installed for at least six (6) years (72 months) and you want to terminate the Lease, SolarCity will remove the System from your Home upon your payment of (x) an amount equal to the cost of de-installation and transportation, (y) the cost to repair any damage to the System for which you are responsible under this Lease, and (z) the amounts remaining on the Lease (See section 16(f)(i) and (ii)). In such case, any option you may have to purchase the System at the end of the Lease Term will automatically terminate.

(c) Both parties will also have the right to terminate this Lease, without penalty or fee, if SolarCity determines after a site audit that it has misestimated the appropriate kilowatt size of the System for your Home by more than ten percent (10%). Such termination right will expire at the earlier of (i) the date we commence installation of the System and (ii) one (1) month after we inform you in writing of the revised size estimate.

18. Applicable Law; Arbitration.

The laws of the state where your Home is located shall govern this Lease without giving effect to conflict of laws principles. We agree that any dispute, claim or disagreement between us shall be resolved by arbitration. Judgment on an arbitrator's award may be entered in any court having jurisdiction. All statutes of limitations that are applicable to any dispute shall apply to any arbitration between us.

Each arbitration, including the selecting of the arbitrator, will be administered by JAMS/Endispute, LLC under its Commercial Arbitration Rules and, in addition, the Due Process Protocol for Mediation and Arbitration of Consumer Disputes most recently in effect. Arbitration will be governed by the Federal Arbitration Act (Title 9 of the U.S. Code). Either party can initiate an arbitration proceeding by filing the necessary forms with JAMS. To learn more about arbitration, you can call any JAMS office or review the materials at www.jamsadr.com. If a JAMS office does not exist in the county where you are located, another arbitrator will be agreed upon or if no other arbitrator can be agreed upon, then we will use the JAMS or American Arbitration Association office closest to your Home.

You and we shall each bear our own costs and expenses, including attorneys' fees, with respect to any arbitration. However, if under the circumstances relating to the dispute it is determined by the arbitrator that it would be unconscionable or otherwise inappropriate for you to pay the JAMS filing and all other fees associated with the arbitration, we will pay those fees for you.

Only disputes involving you and us may be addressed in the arbitration. You agree that you may not pursue any dispute as a "class action" unless the amount in dispute between us is less than three thousand dollars ($3,000), not including any claim you might bring for attorneys fees or punitive or exemplary damages. This means that the arbitration may not address disputes involving other persons which may be similar to the disputes between you and us.

The arbitrator shall have the authority to award any legal or equitable remedy or relief that a court could order or grant. The arbitrator, however, is not authorized to change or alter the terms of this Lease or to make any award that would extend to any transaction other than your own. The prevailing party in any arbitration or court action will be entitled to recover as part of the award its costs and reasonable attorneys' fees and expenses.

BECAUSE WE HAVE AGREED TO ARBITRATE ALL DISPUTES, NEITHER OF US WILL HAVE THE RIGHT TO LITIGATE THAT DISPUTE IN COURT, OR TO HAVE A JURY TRIAL ON THAT DISPUTE, OR ENGAGE IN DISCOVERY EXCEPT AS PROVIDED FOR IN THE JAMS RULES. FURTHER, YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS PERTAINING TO ANY DISPUTE UNLESS THE AMOUNT IN DISPUTE IS LESS THAN THREE THOUSAND DOLLARS ($3,000) NOT INCLUDING ANY CLAIM YOU MIGHT BRING FOR ATTORNEYS' FEES OR PUNITIVE OR EXEMPLARY DAMAGES. THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING, EXCEPT TO THE EXTENT IT IS SUBJECT TO REVIEW IN ACCORDANCE WITH APPLICABLE LAW GOVERNING ARBITRATION AWARDS. OTHER RIGHTS THAT YOU OR WE WOULD HAVE IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

If any portion of this section of this Lease is determined to be unenforceable, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable.

19. Waiver.

Any delay or failure of a party to enforce any of the provisions of this Lease, including but not limited to any remedies listed in this Lease, or to require performance by the other party of any of the provisions of this Lease, shall not be construed to (i) be a waiver of such provisions or a party's right to enforce that provision; or (ii) affect the validity of this Lease.

20. **Notices.**

All notices under this Lease shall be in writing and shall be by personal delivery, facsimile transmission, electronic mail, overnight courier, or certified, or registered mail, return receipt requested, and deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices shall be sent to the person identified in this Lease at the addresses set forth in this Lease or such other address as either party may specify in writing. Each party shall deem a document faxed to it as an original document.

21. **Entire Agreement; Changes.**

This Lease contains the parties' entire agreement regarding the lease of the System. There are no other agreements regarding this Lease, either written or oral. Any change to this Lease must be in writing and signed by both parties. If any portion of this Lease is determined to be unenforceable, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable. Provisions that should reasonably be considered to survive termination of this Lease shall survive, including, without limitation, Sections 5(c), 5(d), 5(e), 5(f), 5(g), 5(h), 14, 16, 17 and 18.

22. **NOTICE OF RIGHT TO CANCEL.**

YOU MAY CANCEL THIS LEASE AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE YOU SIGN THIS LEASE. SEE THE ATTACHED NOTICE OF CANCELLATION FORM ATTACHED AS **EXHIBIT 1** FOR AN EXPLANATION OF THIS RIGHT.

23. **Additional Right to Cancel.**

In addition to any right you may have to cancel this Lease under Section 22, you may also cancel this Lease at any time prior to 5 p.m. of the 30th calendar day after the date you sign this Lease. If that day is a holiday, you will have until the next day that is not a holiday to cancel this Lease. The notice of cancellation must be given pursuant to Section 20 to SolarCity at its address in this Lease, but must be actually received by SolarCity.

I have read this Lease and the Exhibits in their entirety and I acknowledge that I have received a complete copy of this Lease.

Owner's Name:	**Co-Owner's Name (If any):**
Signature: _	**Signature:** _____
Date: _____	**Date:** _____

Date:_____

EXHIBIT "C"

SunRun Solar Service Customer Agreement

Product Name
Power Plan

Amount Due Today
$1,000

Initial Payment Due
$1,023

The estimated implied price of electricity in first year
$0.13 [redacted]

Prepared by: Scott Thompson
Cell phone: 480-440-2951
Email: scott.thompson@americanpv.com

THE SOLAR SYSTEM IS OWNED BY SUNRUN INC. AND/OR ITS AFFILIATES.

SUNRUN INC.
717 Market Street, Suite 600, San Francisco, CA 94103
415-982-9000

SunRun may have prescreened your credit. You can choose to stop receiving "prescreened" offers of credit from this and other companies by calling toll-free, 1-888-5-OPTOUT (1-888-567-8688). See PRESCREEN & OPT-OUT NOTICE in Section 20(e) of the SunRun Residential Power Plan Solar Customer Agreement for more information about prescreened offers.

SUNRUN RESIDENTIAL SOLAR LEASE AGREEMENT

THIS DOCUMENT DESCRIBES THE TERMS AND CONDITIONS OF YOUR RECEIPT OF AND PAYMENT FOR ELECTRIC ENERGY TO BE SUPPLIED BY A SOLAR PHOTOVOLTAIC SYSTEM THAT WILL BE INSTALLED AT YOUR HOUSE BY American Solar Electric. AND OWNED AND MAINTAINED BY SUNRUN INC..
****

1. Residential Agreement

(a) You are entering into this SunRun Residential Solar Lease Agreement ("**Solar Lease**") with SunRun Inc. ("**SunRun**"). You represent that you are at least eighteen (18) years of age, and that you are the owner of the property located at [redacted] AZ ("**Property**"), and that you are either a citizen of the United States or not exempt from paying Federal U.S. income taxes. You further represent that every person or entity with an ownership interest in the Property has agreed to be bound by this Solar Lease.

(b) SunRun is a Delaware Corporation. You may contact SunRun by mail at 717 Market Street, Suite 600, San Francisco, CA 94103, by telephone at (415) 982-9000, or over the Internet at http://www.sunrunhome.com. SunRun will arrange for the design, permitting, construction, installation, testing, and activation of a solar photovoltaic system ("Solar Facility") to be located on the roof of your house and/or grounds of the Property.

(c) You agree to allow SunRun to install and maintain the Solar Facility on the grounds and/or roof of the Property at a specific location to be approved by SunRun. You further agree to lease the Solar Facility from SunRun and pay SunRun the initial deposit ("**Deposit**"), down payment, if any ("**Down Payment**"), and monthly lease payments ("**Lease Payments**") set forth in Exhibit A to this Solar Lease.

2. Solar Facility

(a) SunRun will arrange for the design, permitting, construction, installation and testing of the Solar Facility on the roof and/or grounds, as applicable, of the Property in material accordance with a system design that you will have approved. Thereafter, SunRun will operate and maintain the Solar Facility so as to generate electric energy for use at the Property. SunRun will perform these obligations ("**SunRun's Obligations**") during the Initial Term of this Solar Lease and, during any renewal periods, for as long as the Solar Facility remains economically viable.

(b) You acknowledge and agree that the Solar Facility will be removable equipment and will not be a fixture or otherwise part of the Property. You acknowledge and agree that this Solar Lease is an agreement to lease only and that SunRun will own the Solar Facility and that you will have no ownership interest in the Solar Facility. You acknowledge and agree that the Solar Facility will not be subject to any lien, security interest, claim, mortgage or deed of trust that may be imposed on or assessed against your interest in the Property, or any other property belonging to you. You will have no right to sell, give away, transfer, pledge, remove, relocate, alter or tamper with the Solar Facility at any time. As such, SunRun will not apply a lien to your Property title.

(c) SunRun will be responsible for all costs and expenses related to performing SunRun's Obligations. During the Initial Term (as defined in Section 6(b) below), SunRun will establish a separate fund in an amount that will cover, and be used solely in funding, the costs and expenses associated with the maintenance and repair obligations under this and its other customer agreements. You agree that SunRun has the authority and discretion to use contractors or agents to perform or assist SunRun in performing SunRun's Obligations.

(d) SunRun estimates that the Solar Facility will be capable of generating an average of 7,355 kilowatt-hours ("**Initial Year One Production Estimate**") of electric energy during its first year of operation, but due to several reasons, including natural variation in weather, actual production will vary. Due to expected panel degradation, SunRun estimates that the Solar Facility will be capable of generating 17,236 times this amount of kilowatt-hours ("**kWh**") during the Initial Term ("**Estimated Output**"). As set forth in Section 7, SunRun will issue you a refund if your system does not perform as expected. SunRun makes no other representation, warranty or guarantee of any kind regarding the Solar Facility's actual or expected output or performance.

(e) You agree that SunRun, at its own expense, will install on the outside of the Property, maintain, and periodically test a meter that will measure all electric energy delivered to you from the Solar Facility. If the meter breaks or is found to be inaccurate, SunRun will in good faith estimate the amount of electric energy actually produced during the meter malfunction and issue you a refund, if applicable, as set forth in Section 7. You agree not to tamper with, damage or modify the meter in any way. You will be responsible for any damage or inaccuracies in the meter that are caused by you or any other person unrelated to SunRun who may come onto the Property with your knowledge or permission.

3. Installation Process & Change Orders

(a) The design for the Solar Facility will be presented to you prior to installation. You will have five (5) business days following this presentation to request a change or cancel this Solar Lease pursuant to Section 6(e). Otherwise, you will be deemed to have approved the Solar Facility design. With your written, deemed, or verbal approval, Solar Facility installation may begin at any time.

(b) If you wish to change the design or installation process, SunRun will use commercially reasonable efforts to accommodate your request provided that, if such change increases the cost of the Solar Facility or its installation, or decreases its expected output, you agree to a commensurate increase in the Down Payment and/or Lease Payments set forth in Exhibit A, and if applicable, change in the Guaranteed Output set forth in Section 7.

(c) If, to properly effect the installation of the Solar Facility, an obligation excluded from this Residential Agreement in Section 19 must be performed, you agree to contract separately with SunRun's designed contractor, at your expense, to perform such obligation.

(d) You agree that the Down Payment set forth in Exhibit A may increase or decrease based on change orders arising from conditions that affect the installation of the Solar Facility and were not observable prior to the execution of this Solar Lease. SunRun or its affiliate shall notify you of a change order created by such a concealed condition.

(e) You agree that the Down Payment and/or Lease Payments set forth in Exhibit A may increase or decrease based on the final rebate amount associated with installing the Solar Facility ("**Final Rebate**"). The Final Rebate may change as a result of Solar Facility orientation, pitch, shading, changes in regulation, rebate availability, estimate method and/or other factors affecting rebate eligibility. If the Final Rebate decreases, the Down Payment and/or Lease Payments will increase dollar-for-dollar to cover the decrease in the rebate amount. If the Final Rebate increases, SunRun will credit your first bill in an amount equal to the increase in the Final Rebate.

(f) If prior to or during installation, as a result of either further analysis or changes to the design of the Solar Facility, the annual energy production estimate, expressed in kWh, provided by the National Renewable Energy Laboratory PVWatts Calculator ("Final Year One Production Estimate"), becomes less than ninety-three percent (93%) of the number set forth in Section 2(d), SunRun will notify you in writing or by electronic mail and you will have five (5) business days to accept the change or cancel this Residential Agreement pursuant to Section 6(e). If you do not respond to SunRun within five (5) business days, SunRun may deem you to have accepted the change.

(g) If the Final Rebate decreases by more than seven (7%) percent, either party may cancel this Solar Lease. If the Final Rebate amount decreases less than or exactly seven (7%) percent, SunRun shall notify you of the increased Down Payment and/or Lease Payments in writing.

(h) SunRun generally monitors Solar Facility performance via cellular service. If cellular service is not available at your Property, SunRun may choose either to cancel this Solar Lease or increase the Down Payment and/or Lease Payments set forth in Exhibit A. If SunRun chooses to increase the Down Payment and/or Lease Payments in Exhibit A, then SunRun will notify you in writing or by electronic mail and you will have five (5) business days to accept the increase or cancel this Solar Lease pursuant to Section 6(e). If you do not respond to SunRun within five (5) business days, SunRun may cancel this Solar Lease or deem you to have accepted the change.

(i) You may choose to accept changes under this Section 3 in writing or by electronic mail. If a change pursuant to this Section 3 increases the Down Payment after you have already paid it to SunRun, you agree immediately to pay SunRun the increase in the Down Payment. SunRun may suspend installation until this payment is received.

(j) If you elect to reduce shading of the Solar Facility to provide for increased generation of energy hereunder, the shade reduction must be completed before the Solar Facility's installation, and you agree to maintain this shade reduction for the duration of the Initial Term.

(k) If for a period of one hundred eighty (180) days SunRun fails to perform its obligations required to install and activate the Solar Facility and you have fulfilled all of your obligations under this Solar Lease you may cancel this Agreement, in which case SunRun will refund to you the Down Payment set forth in Exhibit A provided that your Property was accessible and in a state fully ready to permit the installation of the Solar Facility and the Utility did not cause this delay. Likewise, if you cause the installation of the Solar Facility to be delayed in excess of one hundred eighty (180) days, SunRun may cancel this Solar Lease.

(k) You agree to cooperate with SunRun and assist SunRun in obtaining any permits needed, including the NEM Service application in Section 4(a).

(l) Whenever required by applicable law, regulation or code, SunRun requires its contractors to employ licensed personnel.

(m) SunRun, its contractors and agents shall at the end of each business day keep the Property reasonably free from waste materials or rubbish caused by their operations. Prior to Utility Approval, SunRun and its agents shall remove all of their tools, construction/ installation equipment, machinery, waste materials and rubbish from and around the Property.

(n) Subject to the exclusions set forth in Section 19, SunRun will return your Property to a condition similar to its original condition, provided that you notify SunRun in writing or by e-mail of any deficiencies in restoration within five (5) business days of the municipal building inspector approving the Solar Facility.

4. Grid Connectivity

(a) As of the date of Utility Approval, you must be taking service from the Standard Net Metering Service ("NEM Service") from your local utility. You agree that you will continue to take NEM Service for as long as this Solar Lease is in effect. You agree to use the NEM Service currently in effect for this Utility or, in the event that the NEM Service is no longer in effect, a net metering program chosen by SunRun. You agree to execute all documentation associated with NEM Service and the state rebate program promptly at the request of SunRun, its affiliates, and/or the Utility.

(b) All electric energy produced by the Solar Facility will be made available to you for use at the Property.

(c) If at any time you need more electric energy than is being produced by the Solar Facility (**"Supplemental Energy"**), you will be solely responsible for purchasing that electric energy from another supplier, such as your Utility. During the term of this Solar Lease you should expect to purchase Supplemental Energy from your Utility from time to time. SunRun will not be in default of this Solar Lease and will not be responsible for any Supplemental Energy you purchase to compliment the electric energy produced by the Solar Facility.

(d) You agree that title to and risk of loss for the electric energy provided under this Solar Lease shall pass from SunRun to you at the point where the Solar Facility connects to the Property's connection to your Utility at the time when the electric energy reaches that point of interconnection.

(e) You agree that if, during the term of this Solar Lease, your Utility substantially changes the terms of its NEM Service or the Solar Facility is no longer eligible to participate in a self generation incentive program ("SGIP"), you may choose to continue to lease the Solar Facility pursuant to this Solar Lease for the payment of the Lease Payments established in this Solar Lease. You will have thirty (30) days after the date that SunRun notifies you of a change to the NEM Service or the SGIP to choose whether you will continue to lease the Solar Facility hereunder. If you do not respond within such thirty (30) day period, you will be deemed to have elected to continue to lease the Solar Facility under this Solar Lease. If you notify SunRun within the thirty (30) day period that you choose not to continue to lease the Solar Facility, then the provisions in Section 18(a)(i) and Section 18(a)(ii) will apply.

(f) You agree that the Utility alone will receive any environmental attribute that may be attributable to the Solar Facility and that all incentives will be sole property of and transferable by SunRun.

5. Billing and Payment

(a) You agree to pay SunRun the Deposit, Down Payment and Lease Payments in the amounts and on the dates specified in Exhibit A. SunRun will prepare a written or electronic invoice specifying the payment due from you to SunRun for each billing cycle.

(b) SunRun will send or e-mail you an invoice no later than ten (10) days after the end of each billing cycle. You agree to pay the amount specified in each invoice by the due date specified in such invoice (which shall be no earlier than twenty (20) days after the date of the invoice). If SunRun does not receive your payment by the due date on the invoice, SunRun may charge you the lesser of an administrative late fee of (i) one and a half (1.5%) percent per month on the portion of your balance that is more than thirty (30) days past due, or (ii) the maximum amount permitted under and subject to applicable law. This late fee is not an interest charge, finance charge, time price differential or other such charge or payment of a similar nature.

(c) The payments specified in subpart (a) above do not include taxes. If any taxes, such as sales tax, are assessed on these payments or on your purchase, if any, of the Solar Facility from SunRun, and such taxes are paid by SunRun rather than you, you agree to pay or reimburse SunRun for all such taxes, except to the extent that you are prohibited from doing so by applicable laws. In addition, you agree to reimburse SunRun for any personal property taxes that SunRun may incur. To the extent that SunRun seeks reimbursement from you for such personal property taxes, you agree that SunRun may defer charging you for such personal property tax in order to levelize the amount of such charges during the Initial Term. In no event will SunRun charge you for any personal property tax it has not already paid.

(d) You may pay SunRun with a check drawn on a United States bank account mailed to SunRun's main office or you may agree to authorize SunRun to deduct the invoice amount directly from your bank account each month. Please indicate your initial preference for one of these options on Exhibit B.

6. Term and Termination

(a) You agree that this Solar Lease will become effective when both you and SunRun have signed the Solar Lease.

(b) This Solar Lease will continue in effect for eighteen (18) years from the date that SunRun receives notice from the Utility that the Solar Facility is approved for operation (**"Utility Approval"**). This period shall be called the "Initial Term."

(c) At the end of the Initial Term, this Solar Lease will be renewed automatically for an additional one-year term (a "Renewal Term"), unless either you or SunRun gives the other party to this Solar Lease a termination notice at least thirty (30) days prior to the expiration of the Initial Term. At the end of any Renewal Term, this Solar Lease shall be renewed automatically for an additional Renewal Term, unless either you or SunRun gives the other party to this Solar Lease a termination notice at least thirty (30) days prior to the expiration of the Renewal Term then in effect.

(d) If, at the end of the term of this Solar Lease, you do not wish to renew it, SunRun will remove the Solar Facility at no cost to you.

(e) If you cancel this Solar Lease pursuant to Section 3, you will not be refunded your Deposit set forth on Exhibit A, but will owe SunRun no further payment.

7. Guaranteed Output and Refunds

(a) Subject to the conditions of this Section 7, SunRun guarantees that the Solar Facility will either generate ninety-five percent (95%) of the Estimated Output during the Initial Term of this Solar Lease (the "Guaranteed Output") or SunRun will issue a refund to you as described below. For the purposes of this Solar Lease, "Actual Output" shall mean the amount of electric energy created by the Solar Facility to date plus any kWh for which you have previously received a refund.

(b) On the first anniversary of the Initial Term of this Solar Lease and on every anniversary thereafter, SunRun will issue you a credit on your next bill (or if you have prepaid, mail you a check or credit your bank account electronically) if the Actual Output is less than the Guaranteed Output set forth on Exhibit A for that anniversary date. This credit will be calculated by subtracting the Actual Output from the Guaranteed Output for that anniversary date, and multiplying the result by $0.13 per kWh for that anniversary date set forth on Exhibit A.

(c) For the purposes of the prior calculations, Actual Output shall include any kWh of electricity that would have likely been produced during any day that a grid failure disabled the Solar Facility or you caused or requested the system to be shutdown or generate significantly less electric energy. For the avoidance of doubt, Guaranteed Output will be reduced if SunRun notifies you that tree or other growth is reducing electric energy production and you do not remedy or cause to be remedied such reduced energy production.

(d) The Estimated Output and the Guaranteed Output are subject to change based on the final year one production estimate based on the "Final Year One Production Estimate". If The Final Year One Production Estimate is less than The Initial Year One Production Estimate, the Guaranteed Output will be reduced pro rata with the reduction in the production estimate (i.e., the Guaranteed Output will be multiplied by the Final Year One Production Estimate and divided by the Initial Year One Production Estimate). Guaranteed Outputs for previous anniversary dates shall be reduced by the same percentage of any reduction in the Guaranteed Output for the Initial Term. If such a reduction occurs, SunRun will mail or e-mail to you a revised Exhibit A reflecting the changes set forth above.

8. [Intentionally left blank.]

9. Access, Maintenance and Repair

(a) You agree to grant SunRun access to the roof and the interior of your Property for the purpose of designing, installing, operating, maintaining and testing the Solar Facility and performing SunRun's Obligations. SunRun agrees to give you reasonable notice when SunRun needs to access your Property for any of the foregoing purposes and will endeavor to restrict such access to normal business hours.

(b) When possible you agree to allow SunRun and construction professionals (an engineer, architect, or licensed contractor or their representative) hired by SunRun to enter your Property to inspect your house and, if applicable, roof prior to the installation of the Solar Facility to ensure that your Property is structurally suitable to support the Solar Facility.

(c) If parts fail during the term of this Solar Lease, SunRun will use commercially reasonable efforts to replace them with like equipment; however, you acknowledge that due to parts availability and other factors, this may not be possible. SunRun agrees that any change in equipment will not reduce the Guaranteed Output set forth in Section 7.

(d) If you plan to move or temporarily disconnect the Solar Facility to allow for maintenance of and/or repair to the Property, you agree, at your expense,

either (i) to hire SunRun to perform this work or (ii) to obtain SunRun's approval of your contractor, who you agree must carry commercial general liability policy in an amount not less than one million ($1,000,000) dollars per occurrence and name SunRun, and its successor or assigns, as additional insured. SunRun will only be responsible for any damage to the roof of the Property that may result from performance of SunRun's Obligations.

(e) You agree to make reasonable best efforts to provide a safe and secure work environment at your home during the course of the Solar Facility installation and maintenance.

10. Insurance

(a) SunRun agrees to carry insurance that covers all damage to SunRun's Solar Facility. You will not be responsible for insuring the Solar Facility. SunRun agrees to provide you evidence of SunRun's insurance policy for the Solar Facility upon request. If SunRun does not maintain insurance that covers damage to SunRun's Solar Facility, it will be responsible for the consequences of not maintaining such insurance.

(b) You agree to carry homeowner's insurance that covers all damage to your Property during the term of this Solar Lease, including damage resulting from the Solar Facility, provided such damage was not caused by the gross negligence of SunRun. You agree that you are responsible for contacting your insurance carrier and inquiring as to whether the installation of the Solar Facility will impact your existing coverage. If additional insurance is required to maintain your existing coverage, you will be responsible for either (i) procuring and maintaining such insurance or (ii) the consequences of not procuring and maintaining such insurance.

(c) SunRun requires its contractors performing the Solar Facility installation to maintain insurance coverage as follows: workers compensation, subject to statutory limits; Employers liability, with a minimum of one million ($1,000,000) dollars each occurrence; commercial general liability, in an amount not less than one million ($1,000,000) dollars per occurrence and two million ($2,000,000) dollars annual aggregate; commercial automobile liability, in an amount not less than a combined bodily injury and property damage limit of one million ($1,000,000) dollars per accident; excess liability insurance with a limit of one million ($1,000,000) dollars per occurrence and in the annual aggregate in excess of the limits of insurance provided above; and any other insurance required by applicable laws or regulations.

Your initials indicate that you have read, and understand and accept the limitations and obligations set forth in this Section 10. Accepted by (initials) [redacted]

11. Options to Purchase

(a) You shall have the option to purchase the Solar Facility from SunRun at the end of the Initial Term of this Solar Lease at the price set forth in Exhibit A. To purchase the Solar Facility pursuant to this Section 11(a), you must deliver a written notice of your intent to purchase to SunRun within sixty (60) days of the end of the Initial Term of this Solar Lease and deliver payment to SunRun within thirty (30) days of receiving an invoice from SunRun for the purchase price.

(b) You may also purchase the Solar Facility at a price set forth for the previous anniversary date in Exhibit A in accordance with Section 13(b), should you sell your Property during the Initial Term; Section 17, for a number of reasons, including SunRun's failure to perform SunRun's Obligations; or Section 4(g), should your Utility substantially change the terms of its NEM Service.

(c) If you purchase the Solar Facility from SunRun after making a Prepayment pursuant to Section 12, SunRun will apply a credit against the purchase price equal to the unearned portion of your prepaid lease payments.

(d) At other times, please contact SunRun at (415) 982-9000 to discuss the possibility of purchasing the Solar Facility.

(e) If you purchase the Solar Facility, SunRun will continue to monitor the Solar Facility for as long as the meter continues to function, or until the eighteenth anniversary of this Solar Lease, whichever is sooner. However, SunRun will not provide any maintenance or repair unless you enter into a separate agreement with SunRun, at your expense, to perform these services. If possible, SunRun will assign to you any product and/or workmanship warranties still in effect for the Solar Facility.

12. Prepayments of Lease Payments

(a) At any time, you may prepay all of the expected Lease Payments you will owe SunRun during the remaining portion of the Initial Term (a "**Prepayment**") by contacting SunRun.

(b) The Prepayment shall equal the sum of any future Lease Payments set forth in Exhibit A remaining unpaid at the time of prepayment, discounted at the lesser of (x) the prime rate (as published by the Wall Street Journal) or (y) 5.0%.

(c) If you make a Prepayment, SunRun will increase the $0.13 per kWh refund amount by the following ratio:

$$\frac{\text{Prepayment plus the Upfront Payment}}{\text{The Upfront Payment}}$$

(d) Even if you decide to make a Prepayment, the Solar Facility shall remain at your location and SunRun will maintain it for the remainder of the Initial Term.

13. Sale of Property and Assignment

(a) If you sell the Property, you may assign this Solar Lease to the new owner, provided that the new owner first agrees in writing to be bound by all of the terms and conditions set forth herein. Before the sixth anniversary of the Utility Approval, you may not assign your rights and obligations under this Solar Lease without SunRun's prior written consent, which consent will not be unreasonably withheld. After the sixth anniversary of the Utility Approval, you may assign your rights and obligations under this Solar Lease to any purchaser of the Property. Please contact SunRun or visit http://www.sunrunhome.com to obtain an assignment agreement.

(b) During the Initial Term, within sixty (60) days of entering into a contract to sell the Property, you will have the option to purchase the Solar Facility, at the price set forth in Exhibit A, by delivering a written notice and payment to SunRun.

(c) If you sell or otherwise transfer your interest in the Property without either purchasing the Solar Facility or assigning this Solar Lease to the new owner, or if the new owner refuses to take assignment, then you will be deemed to have terminated this Solar Lease.

(d) SunRun may assign this Solar Lease along with all rights and obligations hereunder to any third party without notice for any purpose, including, without limitation, collection of unpaid amounts, or in the event of an acquisition, corporate reorganization, merger or sale of substantially all of its assets to another entity; provided, however, your rights under this Solar Lease shall be superior to the rights of any third party and no third party shall be able to interfere with your rights to the Solar Facility as long as you are fulfilling your obligations under this Solar Lease.

14. Limitations of Liability

(a) SUNRUN WILL BE LIABLE TO YOU AND ANY OTHER PERSON FOR DAMAGES OR LOSSES DIRECTLY ATTRIBUTABLE TO ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. TOTAL LIABILITY FOR SUCH DIRECT DAMAGES OR LOSSES WILL IN NO EVENT EXCEED ONE MILLION DOLLARS. THIS WILL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR EQUITY ARE WAIVED, EVEN IF YOU HAVE GREATER RIGHTS UNDER ARIZONA'S LAWS, WHICH YOU SHOULD CONSULT. SUNRUN IS NOT RESPONSIBLE FOR ANY CON¬SEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR LOSSES RELATING TO THIS SOLAR LEASE, IN TORT OR CONTRACT, INCLUDING ANY NEGLIGENCE OR OTHERWISE.

(b) EXCEPT AS EXPRESSLY PROVIDED HEREIN, SUNRUN MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, REGARDING ITS OBLIGATIONS OR THE SOLAR FACILITY. THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

15. Resolution of Disputes

(a) You agree that to expedite and control the costs of disputes, resolution of any dispute relating to this Solar Lease ("Dispute"), will be resolved according to the procedure set forth in this Section 15.

(b) Unless otherwise agreed in writing, SunRun and you agree to continue to perform each party's respective obligations under this Solar Lease during the course of the resolution of the Dispute.

(c) You agree to first try to resolve informally any Dispute. Accordingly, neither SunRun nor you will start a formal proceeding for at least forty-five (45) days after notifying the other party in writing of the Dispute. You agree to send your notice to the address on the first page of this Solar Lease, and SunRun will send its notice to your billing address.

(d) If SunRun and you cannot resolve the Dispute informally, the Dispute will be resolved by binding arbitration. The arbitration will be conducted under the rules of JAMS that are in effect at the time the arbitration is initiated (referred to as the "JAMS Rules") and under the rules set forth in this Solar Lease. If there is a conflict between the JAMS Rules and this Solar Lease, this Solar Lease will govern. ARBITRATION MEANS THAT YOU WAIVE YOUR RIGHT TO A JURY TRIAL. You may, in arbitration, seek all remedies available to you under this Solar Lease as interpreted under California law. If you decide to initiate arbitration, you agree to tell SunRun in writing the amount that you would pay to file a lawsuit in the appropriate court in California. Unless SunRun agrees to pay your fee for you, you only need to pay an arbitration initiation fee equal to such court filing fee, not to exceed one hundred twenty-five ($125) dollars; SunRun agrees to pay any additional fee or deposit required by JAMS to initiate arbitration. SunRun also agrees to pay the costs of the arbitration proceeding if its actions or inactions are the cause of the Dispute and the arbitrator finds in your favor. Other fees, such as attorney's fees and expenses of travel to the arbitration will be paid in accordance with JAMS Rules. The arbitration will be held near you, unless you and SunRun agree to another location in writing. In order to start arbitration, you or SunRun must take the following actions:

i. Write a demand for arbitration. The demand must include a description of the Dispute and the amount of damages you are seeking. A copy of a demand for arbitration can be found at www.jamsadr.com.

ii. Send three copies of the demand for arbitration to: JAMS, Two Embarcadero Center, Suite 1500, San Francisco, CA 94111.

iii. Send one copy of the demand for arbitration to the other party.

(e) You agree to service of process by registered or certified mail, return receipt requested, at your billing address.

16. Force Majeure

(a) Neither you nor SunRun will be in default of this Solar Lease for any delay or failure in the performance under this Solar Lease (including any obligation to deliver or accept the electric energy output of the Solar Facility) if the delay or failure is due to Force Majeure. Force Majeure includes acts of God such as storms, fires, floods, lightning and earthquakes, sabotage or destruction by a third party of the Solar Facilities, war, riot, acts of a public enemy or other civil disturbance, or a strike, walkout, lockout or other significant labor dispute. Force Majeure does not include economic hardship of either you or SunRun, a power grid failure (except if caused directly by a Force Majeure event), a failure or delay in the granting of permits, or insufficiency, unavailability, failure, or diminishment of solar resources, except as a result of an event that would otherwise qualify as a Force Majeure.

(b) Force Majeure cannot be attributable to fault or negligence on the part of the party claiming Force Majeure and must be caused by things beyond that party's reasonable control. Additionally, you or SunRun must have taken all reasonable technical and commercial precautions to prevent the event.

(c) In order to claim Force Majeure as a reason for non-performance, you or SunRun must give notice to the other party of the Force Majeure with fourteen (14) days of the occurrence of the Force Majeure and estimate how long it will last and what the potential impact is on the Solar Lease. The party claiming Force Majeure must (1) make reasonable attempts to continue to perform under the Solar Lease, (2) quickly take action to correct the problem caused by the Force Majeure, and (3) make reasonable efforts to limit damage to the other party. Finally, the party claiming Force Majeure must notify the other party when the Force Majeure event ends and performance will resume as contemplated in this Solar Lease.

(d) If you or SunRun is prevented from performing under this Solar Lease for a period of either (i) three hundred sixty-five (365) consecutive days or more, or (ii) seven hundred thirty (730) non-consecutive days or more (whether full or partial days), the other party may terminate this Solar Lease, without liability of either party to the other, upon thirty (30) days written notice at any time during the Force Majeure.

17. Your Remedies

(a) If (i) SunRun makes a general assignment for the benefit of creditors, files a petition in bankruptcy, appoints a trustee or receiver, or has all or substantially all of its assets subject to attachment, execution or other judicial seizure, or (ii) SunRun fails to perform an obligation under the Solar Lease and such failure continues beyond a period of (60) days (provided, in each case, this Solar Lease is otherwise in full force and effect prior to such event), you will have the option to purchase the Solar Facility by delivering a written notice and payment to SunRun of the price set forth in Exhibit A.

(b) SunRun agrees that, if (A) SunRun (i) makes a general assignment for the benefit of creditors, files a petition in bankruptcy, appoints a trustee or receiver, or has all or substantially all of its assets subject to attachment, execution or other judicial seizure, or (ii) fails to perform an obligation under the Solar Lease and such failure continues beyond a period of (60)

days (provided, in each case, this Solar Lease is otherwise in full force and effect prior to such event), and (B) you elect to exercise the purchase option granted pursuant to Section 17(a), then you also shall be entitled to liquidated damages in an amount equal to the difference between (x) the price at which the Solar Facility may be purchased pursuant to Section 17 hereof, and (y) the value of the Down Payment and the Prepayment, if any, that you have made to SunRun which corresponds to energy not yet produced. Such liquidated damages payable to you pursuant to this Section 17(b) shall be taken into account and credited against the amount payable by you to acquire the Solar Facility.

18. SunRun's Remedies

(a) If you terminate this Solar Lease under Section 13(c), you will be required within thirty (30) days either (i) to pay SunRun a termination payment equal to the Prepayment of all future Lease Payments during the Initial Term ("**Make Whole**"), as calculated in Section 12(b) or (ii) to purchase the Solar Facility pursuant to Section 11(b).

(b) If you fail to perform a material obligation under the Solar Lease, and you do not correct the failure within one hundred twenty (120) days, if such failure continues beyond a period of one hundred twenty (120) days, then SunRun can require you to pay SunRun a Make Whole payment.

(c) If you make a general assignment for the benefit of creditors, file a petition in bankruptcy, appoint a trustee or receiver, or have all of substantially all of your assets subject to attachment, execution or other judicial seizure, or you become insolvent or unable to pay your debts, or vacate or abandon the Property, then SunRun can require you to pay SunRun a Make Whole payment.

(d) If you (i) are required to make a Make Whole payment and do not make the payment, (ii) terminate this Solar Lease without also purchasing the Solar Facility, or (iii) do not make any other payment or payments as contemplated and required under this Solar Lease, SunRun shall, subject to any cure rights provided herein, have the right to disconnect your Solar Facility and/or enter your Property and remove the Solar Facility.

This Solar Lease does not include an obligation by SunRun to: remove or dispose of any hazardous substances that currently exist on the Property; improve the construction of the roof or the Property to support the Solar Facility; remove or replace existing rot, rust, or insect infested structures; provide structural framing for any part of the Property; pay for or correct construction errors, omissions, and deficiencies by you or your contractors; pay for, remove, or remediate mold, fungus, mildew, or organic pathogens; upgrade your existing electrical service; install any smoke detectors, sprinklers, or life safety equipment required by municipal code or inspectors as a result of the Solar Facility installation; pay for the removal or re-location of equipment, obstacles or vegetation in the vicinity of the Solar Facility; pay for any costs associated with municipal design or architectural review, or other specialty permits (this includes cost to attend any public hearings, notification of neighbors, or additional drawings required); paint electrical boxes or conduit at the Property; and move items unassociated with the Solar Facility around the Property.

20. Miscellaneous

(a) You agree that this Solar Lease constitutes the entire agreement between you and SunRun. If any provision is declared to be invalid, that provision will be deleted or modified, and the rest of the Solar Lease will remain enforceable. The terms of this Solar Lease that expressly or by their nature survive termination shall continue thereafter until fully performed, which shall include without limitation the obligation to make payments hereunder.

(b) This Solar Lease shall be interpreted in accordance with and governed by the laws of the State of Arizona, without regard to the conflict of laws principles thereof.

(c) You agree that SunRun has the right to periodically check your consumer credit report.

(d) You agree that SunRun has the right to use graphical representations or photography of the Solar Facility and the Property in its marketing and promotional materials.

(e) *PRESCREEN & OPT-OUT NOTICE: The offer of "prescreened" credit included in Section 3(p) may be based on information in your credit report indicating that you meet certain criteria. If you do not want to receive prescreened offers of credit from SunRun or other companies, call the consumer reporting agencies toll-free, 1-888-5-OPT-OUT (1-888-567-8688); or write to the following credit reporting agencies: Experian, Consumer Opt-Out, 701 Experian Parkway, Allen, TX 75013; TransUnion, LLC, TransUnion Opt Out Request, P.O. Box 505, Woodlyn, PA 19094-0505; Equifax Options, P.O. Box 740123, Atlanta, GA 30374-0123.*

21. NOTICE OF RIGHT TO CANCEL

(a) DO NOT SIGN THIS AGREEMENT IF ANY OF THE SPACES INTENDED FOR THE AGREED TERMS TO THE EXTENT OF THEN AVAILABLE INFORMATION ARE LEFT BLANK.

(b) YOU ARE ENTITLED TO A COPY OF THIS AGREEMENT AT THE TIME YOU SIGN IT.

(c) YOU MAY PAY OFF THE FULL UNPAID BALANCE DUE UNDER THIS AGREEMENT AT ANY TIME, AND IN SO DOING YOU SHALL BE ENTITLED TO A FULL REBATE OF ANY UNEARNED FINANCE AND INSURANCE CHARGES.

(d) YOU MAY CANCEL THIS AGREEMENT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

(e) IT SHALL NOT BE LEGAL FOR THE SELLER (LESSOR) TO ENTER YOUR PREMISES UNLAWFULLY OR COMMIT ANY BREACH OF THE PEACE TO REPOSSESS GOODS PURCHASED (LEASED) UNDER THIS AGREEMENT.

SUNRUN INC.

Date

Signature

Print name

Title

CUSTOMER

6/18/09
Date

Signature

Print name

EXHIBIT "D"

CLEAN ENERGY SYSTEMS, LLC
111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax

SOLAR LEASE AGREEMENT

Lessee: [redacted]

1. Solar Panel System Lease.
This Equipment Lease ("Lease") is the agreement between Lessee and Clean Energy Systems, LLC (together with its successors and assigns, "Clean"), regarding the lease to Lessee of the solar panel system ("System") described below. Clean Energy agrees to lease to Lessee, and Lessee agrees to lease from Clean Energy, the System on the terms and conditions described in this Lease.
Clean Energy shall cause the System to be installed at:

[redacted]

2. Lease Term.
Clean Energy agrees to lease you the System for 11 years, plus, if the Interconnection Date is not on the first day of a calendar month, the number of days left in that partial calendar month, including the Installation Date ("Lease Term.") The Lease Term begins on the Interconnection Date. The Interconnection Date is the date that the System is fully up and running and generating energy.

3. Description of the Solar Panel System You Are Leasing.

a. **System:** 5,060 kW DC (STC) photovoltaic system Consisting of Photovoltaic Modules, Inverter(s), Mounting system, and at Clean Energy's sole discretion a Monitoring system.
b. **Guarantee:** Clean provides an Output Guarantee from the System commencing on the Interconnection Date and continuing until expiration of this lease, including renewal periods, an output guarantee of 7,500 kWh per year.

4. Lease Payments.

a. **Monthly Payments** (taxes not included):
Your monthly payment of $65.00 based on the Guarantee. In the event that the Guaranteed Energy Output is not achieved as described above during the term of this Agreement (the "Guaranteed Energy Output Shortage"), then CLEAN shall credit the difference between the amount LESSEE paid by adjusting the next years monthly lease payment. This guarantee shall immediately terminate if the System title is transferred to LESSEE. Lease payment will be adjusted to match any Utility increase or decrease. Lease payment is due 30 days following the Interconnection Date and thereafter each Monthly Payment is due on the first day of the calendar month.
Please note: All payments include an automatic payment discount of $10. Your monthly Lease payment will increase by $10 if you do not make automatic monthly Lease payments from your checking or savings account.
b. **Purchase Option At End of Lease Term:**
You have an option to purchase the System at the end of the Lease Term at its fair market value.

5. Lease Obligations.

a. **You agree to:**
(i) make the payments required by this Lease;
(ii) notify us *within 24 hours* if you discover that the System is not working correctly;
(iii) notify us *immediately* upon the discovery of an emergency condition relating to the System, damage to the System or theft of the System;
(iv) only have the System repaired pursuant to the Limited Warranty and reasonably cooperate with the person performing the repairs when repairs are being made;
(v) keep trees, bushes and hedges trimmed so that the System receives as much sunlight as it did when Installed;
(vi) not modify your Home in a way that shades the System;
(vii) permit Clean Energy, after we give you reasonable notice, to inspect the System for proper operation as we reasonably determine necessary;
(viii) not move the System, or permit anyone else to move the System, except as permitted by the Limited Warranty;

[redacted]

CLEAN ENERGY SYSTEMS, LLC
111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GivsMeFreePower.com * 602-995-8101 fax

(ix) not do anything, permit or allow to exist any condition or circumstance which would cause the system not to operate as intended at the Property;
(x) not use the System to heat a swimming pool;
(xi) use the System primarily for personal, family or household purposes;
(xii) not remove any markings or identification tags on the System;
(xiii) keep the panels clean, pursuant to the Limited Warranty and the Guide;
(xiv) reasonably cooperate with Clean Energy so that it may claim any tax credits, rebates or benefits from the System; this may include filing applications for rebates from the federal, state or local, government or a local utility and giving these tax credits, rebates or benefits to Clean Energy. You agree that you will not claim, or take any action, or fail to take any action, including claiming any tax credits respecting the System on any tax return, that may jeopardize Clean Energy's ability to receive, such tax credits, rebates or other benefits; and
(xv) be responsible for any conditions at your Home that affect the installation (e.g. blocking access to the roof) and to allow Clean Energy adequate time and access to complete the installation.

b. **Return Fees; Late Charges; Checks; Automatic Payment.** In addition to the other amounts you agree to pay in this Lease, you agree to pay the following:
(i) Returned Check Fee: $25 for any check or withdrawal right that is returned or refused by your bank;
(ii) Late payments, which accrue interest at twelve percent (12%) annually or the maximum allowable by applicable law; and
(iii) A $10 monthly fee if you do not make automatic Monthly Payments through your credit card, checking or savings account.

c. **Insurance.** Lessee shall insure the System against all damage or loss.

d. **Estimated Taxes.** You agree to pay any applicable sales or use taxes on the Monthly Payments due under this Lease. If this Lease contains a purchase option at the end of the Lease Term, you agree to pay any applicable tax on the purchase price for the System. You also agree to pay as invoiced any applicable personal property taxes on the System that your local jurisdiction may levy.

e. **No Alterations.** You agree that you will not make any modifications, attachments, improvements, revisions or additions to the System or take any other action that could void the Limited Warranty on the System without Clean Energy's prior written consent. If you make any modifications, attachments, improvements, revisions or additions to the System, they will become part of the System and shall be Clean Energy's property.

f. **Home Renovations.** If you want to make any repairs or improvements to the Property that could interfere with the System (such as repairing the roof where the System is located), you may only remove and replace the System pursuant to the Limited Warranty.

g. **Access to the Solar Panel System; Easement.**
(i) You grant to Clean Energy and its agents, employees and contractors the right to reasonably access all of the Property for the purposes of (a) installing, constructing, operating, owning, repairing, accessing, removing and replacing the System or making any additions to the System or installing complementary technologies on or about the location of the System; (b) enforcing Clean Energy's rights as to this Lease and the System; (c) installing, using and maintaining electric lines and inverters and meters, necessary to interconnect the System to your electric system at the Property and/or to the utility's electric distribution system; or (d) taking any other action reasonably necessary in connection with the construction, installation, operation, maintenance, removal or repair of the System. This access right shall continue for up to ninety (90) days after this Lease expires to provide Clean Energy with time to remove the System at the end of the Lease. Clean Energy shall provide you with reasonable notice of its need to access the Property whenever commercially reasonable.
(ii) During the time that Clean Energy has access rights you shall ensure that its access rights are preserved and shall not interfere with or permit any third party to interfere with such rights or access. If Clean Energy requests, you will sign an easement that sets out in writing (i) Clean Energy's right to access the Property; and/or (ii) that the System is not a fixture. Clean Energy may record this easement in the appropriate manner in the public records. You also grant Clean Energy the right to file any UCC-1 financing statement or fixture filing that confirms its interest in the System.

h. **Indemnity.** To the fullest extent permitted by law, you shall indemnify, defend, protect, save and hold harmless Clean Energy, its employees, officers, directors, agents, successors and assigns from any and all third party claims, actions, costs, expenses (including reasonable attorneys' fees and expenses), damages, liabilities, penalties, losses, obligations,

CLEAN ENERGY SYSTEMS, LLC
*111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax*

injuries, demands and liens of any kind or nature arising out of, connected with, relating to or resulting from your negligence or willful misconduct; provided, that nothing herein shall require you to indemnify Clean Energy for its own negligence or willful misconduct. The provisions of this paragraph shall survive termination or expiration of this Lease.

(i) Monthly Payments. The Monthly Payments section (Section 4(B)) describes your monthly payment obligations under this Lease. YOU AGREE THAT THIS IS A NET LEASE AND THE OBLIGATION TO PAY ALL MONTHLY PAYMENTS AND ALL OTHER AMOUNTS DUE UNDER THIS LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL UNDER ALL CIRCUMSTANCES AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, DEFENSE, COUNTERCLAIM, SETOFF, RECOUPMENT OR REDUCTION FOR ANY REASON WHATSOEVER, IT BEING THE EXPRESS INTENT OF THE PARTIES THAT ALL AMOUNTS PAYABLE BY YOU HEREUNDER SHALL BE AND CONTINUE TO BE PAYABLE IN ALL EVENTS INCLUDING BY YOUR HEIRS AND ESTATE AND, EXCEPT AS SET FORTH BELOW, YOU HEREBY WAIVE ALL RIGHTS YOU MAY HAVE TO REJECT OR CANCEL THIS LEASE, TO REVOKE ACCEPTANCE OF THE SYSTEM, OR TO GRANT A SECURITY INTEREST IN THE SYSTEM.

i. **Lease Obligations Separate from Limited Warranty.** Clean Energy's obligations under this Lease are separate and independent from its obligations under the Limited Warranty it will provide you. A breach of the provisions of the Limited Warranty will not be a default by Clean Energy under this Lease because they are separate agreements.

6. Conditions Prior to Installation of the System.

a. Clean Energy's obligation to have installed and to lease the System are conditioned on the following items having been completed to its reasonable satisfaction:

(i) completion of a physical inspection of the Property, including if applicable geotechnical work, and real estate due diligence to confirm the suitability of the Property for the construction, installation and operation of the System;

(iii) confirmation of rebate, tax credit and renewable energy credit payment availability in the amount used to calculate the Monthly Payment amounts set forth in this Lease;

(iv) confirmation that Clean Energy will obtain all applicable benefits referred to in Section 9; and

(v) receipt of all necessary zoning, land use and building permits.

b. Clean Energy may terminate this Lease without liability if, in its reasonable judgment, any of the above listed conditions will not be satisfied for reasons beyond its reasonable control.

7. Warranty.

The Limited Warranty is separate from this Lease. No rights provided to you by the Limited Warranty may be asserted under this Lease. No warranty is made in this Lease. Therefore, any warranty claim must be made independently of this Lease and will not affect your obligations under this Lease.

YOU UNDERSTAND THAT THE SYSTEM IS WARRANTED UNDER THE LIMITED WARRANTY, AND THAT THERE ARE NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR ANY PURPOSE, CONDITION, DESIGN, CAPACITY, SUITABILITY OR PERFORMANCE OF THE SYSTEM OR ITS INSTALLATION, AND YOU LEASE THE SYSTEM "AS IS."

8. Transfer.

Clean Energy may assign, sell or transfer the System and this Lease without your consent. Assignment, sale or transfer generally means that Clean Energy would transfer certain of its rights and certain of its obligations under this Lease to another party.

9. Ownership of the System; Tax Credits and Rebates.

You understand and agree that this is a lease and not a sale agreement. Clean Energy owns the System for all purposes. You agree that the System is Clean Energy's personal property under the Uniform Commercial Code. You shall at all times keep the System free and clear of all liens, claims, levies and legal processes not created by Clean Energy, and shall at your expense protect and defend Clean Energy against the same. All right and title to the energy, environmental attributes and environmental attribute reporting rights attributable to the generating system vests in the lessee.

YOU UNDERSTAND AND AGREE THAT ANY AND ALL TAX CREDITS AND INCENTIVES, ARE THE PROPERTY OF AND FOR THE BENEFIT OF CLEAN ENERGY, USABLE AT ITS SOLE DISCRETION. CLEAN ENERGY SHALL HAVE THE

CLEAN ENERGY SYSTEMS, LLC
111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax

EXCLUSIVE RIGHT TO ENJOY AND USE ALL SUCH BENEFITS, WHETHER SUCH BENEFITS EXIST NOW OR IN THE FUTURE.

10. Options to Purchase the Solar Panel System Prior to the End of the Lease Term.
You may not purchase the System prior to the end of the Lease Term.

11. Option to Renew Your Lease.
You have the option to renew your Lease Term for up to thirty (30) years in three (3) ten (10) year renewal periods. If you do not want to renew and you are in compliance with this Lease, you must notify us at least one (1) month prior to the end of the Lease.

12. Selling Your Home.

a. If you sell your home you can:
   - (i) Transfer this Lease and the Monthly Payments. The person buying your Home can sign a transfer agreement assuming all of your rights and obligations under this Lease.
   - (ii) Prepay this Lease and Transfer only the Use of the System; and have the person buying your Home sign a transfer agreement to assume your rights and non-Monthly Payment obligations under this Lease. The System stays at your Home; the new owner of your Home does not make any Monthly Payments and has only to comply with the non-Monthly Payment portions of this Lease.
   - (iii) Prepay this Lease and Remove the System after Six Years. If your System has been installed for at least six (6) years (72 months) and the person buying your home does not want the System, you may prepay the payments remaining on the Lease (*See* section 16(f)(i) and (ii)). Your right to have the System removed at no cost to you in such case is covered by the Limited Warranty.
   - (iv) Move the System to your new Home. If you are moving to a new home in the same utility district, the System can be moved to your new home only pursuant to the Limited Warranty. You will need to pay all costs associated with relocating the System, execute and deliver to Clean Energy an easement for the replacement premises and provide any third party consents or releases required by Clean Energy in connection with the substitute premises.

b. You agree to give Clean Energy at least one (1) month's but not more than three (3) months' prior written notice if you want someone to assume your Lease obligations. In connection with this assumption, you, your approved buyer and Clean Energy shall execute a written transfer of this Lease. Clean Energy may charge you a transfer review fee of fifty dollars ($50). Unless we have released you from your obligations in writing, you are still responsible for performing under this Lease. If your buyer defaults on this Lease and we have not yet signed the transfer agreement, you will be responsible for its default. We will release you from your obligations under this Lease in writing once we have a signed transfer agreement with the person buying your Home.

c. If you sell your home and can't comply with any of the options in subsection (a) above, you will be in default under this Lease. Section 12(a) includes a home sale by your estate or heirs.

d. EXCEPT AS SET FORTH IN THIS SECTION, YOU WILL NOT SUBLEASE, ASSIGN, SELL, PLEDGE OR IN ANY OTHER WAY TRANSFER YOUR INTEREST IN THE SYSTEM OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD.

13. Loss or Damage.

a. Lessee will bear all of the risk of loss, damage, theft, destruction or similar occurrence to any or all of the System. Except as expressly provided in this Lease, no loss, damage, theft or destruction will excuse you from your obligations under this Lease, including Monthly Payments.

b. If there is loss, damage, theft, destruction or a similar occurrence affecting the System, and you are not in default of this Lease, you shall continue to timely make all Monthly Payments and pay all other amounts due under the Lease and, cooperate with Clean Energy, to have the System repaired pursuant to the Limited Warranty.

c. Clean Energy shall have the right, but not the obligation, to repair or remedy any defective or dangerous condition with respect to the System and bill you for the reasonable cost and expense of such repairs. Some or all of these obligations may be covered by the Limited Warranty.

14. Limitation of Liability.

a. No Consequential Damages. CLEAN ENERGY'S LIABILITY TO YOU UNDER THIS LEASE SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY. YOU AGREE THAT IN NO EVENT SHALL EITHER PARTY BE

LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR INDIRECT DAMAGES.

b. Actual Damages. Except for claims under section 5(h), neither party's liability to the other will exceed an amount equal to the maximum amount that could be payable by you under Section 16(f). Damages to your home, belongings or property during the installation of the System or resulting from the System are covered in the Performance Guaranty and Limited Warranty Agreement provided by Clean Energy.

15. Default. You will be in default under this Lease if any one of the following occurs:

a. you fail to make any payment when it is due and such failure continues for a period of ten (10) days;
b. you fail to perform any material obligation that you have undertaken in this Lease (which includes doing something you have agreed not to do, like alter the System) and such failure continues for a period of fifteen (15) days after written notice;
c. you assign, transfer, encumber, sublet or sell this Lease or any part of the System without Clean Energy's prior written consent; or
d. you make an assignment for the benefit of creditors, admit in writing its insolvency, files or there is filed against you or it a voluntary petition in bankruptcy is adjudicated bankrupt or insolvent or undertakes or experiences any substantially similar activity.

16. Remedies in Case of Default.
If this Lease is in default, we may take any one or more of the following actions. If the law requires us to do so, we will give you notice and wait any period of time required before taking any of these actions. We may:

a. terminate this Lease and your rights to possess and use the System;
b. take any reasonable action to correct your default or to prevent our loss; any amount we pay will be added to the amount you owe us and will be immediately due;
c. require you, at your expense, to return the System or make it available to us in a reasonable manner;
d. proceed, by appropriate court action, to enforce performance of this Lease and to recover damages for your breach;
e. take back the System by legal process or self-help, but we may not breach the peace or violate the law;
f. recover from you (i) all accrued but unpaid monthly payments, taxes, late charges, penalties, interest and all or any other sums then accrued or due and owing, plus (ii) the unpaid balance of the aggregate rent, each payment discounted to present value at 5% per annum, plus (iii) reasonable compensation, on a net after tax basis assuming a tax rate of 35%, for the loss or recapture of (A) the investment tax credit equal to thirty percent (30%) of the System cost, including installation; and (B) accelerated depreciation over five (5) years equal to eighty five percent (85%) of the System cost, including installation, and for the loss of any anticipated benefits pursuant to Section 9 of the Lease (Clean Energy shall furnish you with a detailed calculation of such compensation if a claim is made therefore); or
g. use any other remedy available to us in this Lease or by law. You agree to repay us for any reasonable amounts we pay to correct or cover your default. You also agree to reimburse us for any costs and expenses we incur relating to the System's return resulting from early termination. By choosing any one or more of these remedies, Clean Energy does not give up its right to use another remedy. By deciding not to use any remedy should this Lease be in default, Clean Energy does not give up our right to use that remedy in case of a subsequent default.

17. Returning the System at the End or upon Termination of This Lease; Early Termination.

a. Returning the Solar Panel System at the End or Termination of This Lease. If you don't renew this Lease, then there are three (3) possibilities with respect to returning or keeping the System at the end or termination of this Lease:
   (i) If at the end or termination of this Lease Term you have not defaulted on this Lease, and you have not exercised your purchase option (if any), then within ninety (120) days:
      (a) Clean Energy may at its choosing, remove the System from your home at no cost to you; or
      (b) if Clean Energy does not tell you that it wants to remove the System and you want to have the System removed from your Home at no cost to you, you must make a claim under the Limited Warranty which governs your rights in this respect.
   (ii) If at the end or termination of this Lease you are in default, and Clean Energy chooses to remove the System from your Home then you agree to pay Clean Energy the reasonable expense of removing the System from your Home.
   (iii) If at the end or termination of this Lease Clean Energy chooses not to remove the System and you do not require removal within 120 days, then you will be considered to be the new owner of the System and it will automatically be conveyed to you AS IS, WHERE IS.

CLEAN ENERGY SYSTEMS, LLC
*111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax*

b. Early Termination after 6 years. If your System has been installed for less than six (6) years (72 months), you are not entitled to terminate the Lease. If your System has been installed for at least six (6) years (72 months) and you want to terminate the Lease, Clean Energy will remove the System from your Home upon your payment of (x) an amount equal to the cost of de-installation and transportation, (y) the cost to repair any damage to the System for which you are responsible under this Lease, and (z) the amounts remaining on the Lease (See section 16(f)(i) and (ii)). In such case, any option you may have to purchase the System at the end of the Lease Term will automatically terminate.

c. Both parties will also have the right to terminate this Lease, without penalty or fee, if Clean Energy determines after a site audit that it has misestimated the appropriate kilowatt size of the System for your Home by more than ten percent (10%). Such termination right will expire at the earlier of (i) the date we commence installation of the System and (ii) one (1) month after we inform you in writing of the revised size estimate.

18. Applicable Law.
The laws of the state where your Home is located shall govern this Lease without giving effect to conflict of laws principles. We agree that any dispute, claim or disagreement between us shall be resolved by arbitration. Judgment may be entered in any court having jurisdiction.
YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS PERTAINING TO ANY DISPUTE UNLESS THE AMOUNT IN DISPUTE IS LESS THAN ONE THOUSAND DOLLARS ($1,000) INCLUDING ANY CLAIM YOU MIGHT BRING FOR ATTORNEYS' FEES OR PUNITIVE OR EXEMPLARY DAMAGES.
If any portion of this section of this Lease is determined to be unenforceable, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable.

19. Waiver.
Any delay or failure of a party to enforce any of the provisions of this Lease, including but not limited to any remedies listed in this Lease, or to require performance by the other party of any of the provisions of this Lease, shall not be construed to (i) be a waiver of such provisions or a party's right to enforce that provision; or (ii) affect the validity of this Lease.

20. Notices.
All notices under this Lease shall be in writing and shall be by personal delivery, overnight courier, or certified, or registered mail, return receipt requested, and deemed received upon personal delivery,
the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices shall be sent to the person identified in this Lease at the addresses set forth in this Lease or such other address as either party may specify in writing. Each party shall deem a document faxed to it as an
original document.

21. Entire Agreement; Changes.
This Lease contains the parties' entire agreement regarding the lease of the System. There are no other agreements regarding this Lease, either written or oral. Any change to this Lease must be in writing and signed by both parties. If any portion of this Lease is determined to be unenforceable, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable. Provisions that should reasonably be considered to survive
termination of this Lease shall survive, including, without limitation, Sections 5(c), 5(d), 5(e), 5(f), 5(g), 5(h), 14, 16, 17 and 18.

22. NOTICE OF RIGHT TO CANCEL.
YOU MAY CANCEL THIS LEASE AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE YOU SIGN THIS LEASE. SEE THE ATTACHED NOTICE OF CANCELLATION FORM ATTACHED AS EXHIBIT 1 FOR AN EXPLANATION OF THIS RIGHT.

I have read this Lease and the Exhibits in their entirety and I acknowledge that I have received a complete copy of this Lease.
Owner's Name: Co-Owner's Name (If any):

Signature: [redacted] **Signature:** [redacted]

Date: [redacted] **Date:** [redacted]

[redacted]

CLEAN ENERGY SYSTEMS, LLC
111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax

Exhibit 1 (Customer Copy)

NOTICE OF CANCELLATION
STATUTORILY-REQUIRED LANGUAGE
(CC § 1689.7(c)) (A.R.S. §44-5004)(C.R.S. §5-3-403)

"Notice of Cancellation"
Date of Transaction: _____
You may cancel this transaction, without any penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale and any negotiable instrument executed by you will be returned within 10 days following receipt by Clean Energy of your cancellation notice, and any security interest arising out of the transaction will be canocled. If you cancel, you must make available to Clean Energy at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of Clean Energy regarding the return shipment of the goods at Clean Energy's expense and risk. If you do make the goods available to Clean Energy Clean Energy does not pick them up within 90 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to Clean Energy, or if you agree to return the goods to Clean Energy and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to:
Clean Energy Systems, LLC
111 E Dunlap #1-293
Phoenix, AZ 85020

not later than midnight of _____ [Date].

I, _____ [Name], hereby cancel this transaction on _____ [Date].
Lessee's Signature:

_____
Lessee's Signature:

_____

CLEAN ENERGY SYSTEMS, LLC
*111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax*

Exhibit 2

NOTICE TO BUYERS
(A.R.S. §44-5004)

1. Do not sign this agreement if any of the spaces intended for the agreed terms to the extent of then available information are left blank.
2. You are entitled to a copy of this agreement at the time you sign it.
3. You may pay off the full unpaid balance due under this agreement at any time, and in so doing you shall be entitled to a full rebate of the unearned finance and insurance charges.
4. You may cancel this agreement any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form on Exhibit 1 for an explanation of this right.
5. It shall not be legal for the Lessee to enter your premises unlawfully or commit any breach of the peace to repossess goods purchased under this agreement.

CLEAN ENERGY SYSTEMS, LLC
111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax

PERFORMANCE GUARANTY AND LIMITED WARRANTY AGREEMENT

This Performance Guaranty and Limited Warranty Agreement (this "Limited Warranty") is Clean Energy Systems' agreement to provide you warranties on the solar panel system (the "System") you leased. The system is described as a 5,060kWDC photovoltaic system consisting of modules, inverter and mounting system. The System will be professionally installed by a licensed contractor at the address you listed in the lease agreement (the "Lease"). We will refer to the installation location as your "Property" or your "Home." This Limited Warranty begins at the start of the installation the System at your Home.

1. Limited Warranties.
(a) Limited Warranties. Clean Energy Systems warranties the System as follows:
(i) Installation Warranty. We will have professionally installed the System in a good and workman-like manner according to industry standards and our commitments to you in Section 2. This installation warranty will run for one (1) year following the completion of the System installation;
(ii) Roof Warranty. When the installer penetrates your roof during a System Installation we will warrant roof damage caused to areas that are within a three (3) inch radius of our roof penetrations. This roof warranty will run the longer of (A) one (1) year following the completion of the System installation; and (B) the length of any existing installation warranty on your roof;
(iii) Use Warranty. Under normal use and service conditions, the System will be free from defects in workmanship or defects in, or a breakdown of, materials or components during the Warranty Period (as defined below); and
(iv) Repair Promise. During the Warranty Period, Clean Energy Systems will have repaired or replace any defective part, material or component or correct any defective workmanship, at no cost or expense to you (including all labor costs), when you submit a valid claim to us under this Limited Warranty. If we damage your Home; your belongings or your Property we will repair the damage we cause or pay you for the damage we cause as described in Section 5. Clean Energy Systems may use new or reconditioned parts when making repairs or replacements. Clean Energy Systems may also, at no additional cost to you, upgrade or add to any part of the System to ensure that it performs according to the guarantees set forth in this Limited Warranty.
(b) Warranty Length.
(i) The warranties in sections (a) iii and (a) iv above will start when we begin installing the System at your Home and continue through the entire Lease Term ("Lease Term" has the same meaning as set forth in the Lease) but never less than six (6) years (the "Warranty Period").
(ii) The warranties in Sections (a) i and (a) ii above may have shorter lengths as described in those sections.
(iii) If you have taken over an existing Lease, then this Limited Warranty will cover you for the remaining balance of the original Warranty Period.
(c) Performance Warranties and Guaranty.
(i) Energy Production Guarantee. Clean Energy Systems guarantees that during the Lease Term the System will generate the guaranteed annual kilowatt-hours (kWh) ("Guaranteed Annual kWh") of energy set forth in **Exhibit B** as follows:
A. If at the end of each successive twelve (12) month anniversary of your first monthly payment the cumulative Actual Annual kWh (defined below) generated by the System is *less* than the Guaranteed Annual kWh, then we will credit your account equal to the pro-rata difference between the cumulative Actual Annual kWh and the Guaranteed Annual kWh (defined below).
For example, if the first twelve (12) month period commences on October 1, 2008 and ends on September 30, 2009, and the energy the System was supposed to generate is *less* than the energy the system was guaranteed to generate during such twelve (12) month period, we will credit you the pro-rata difference in the Actual Annual kWh and the Guaranteed Annual kWh after December 31, 2009. See the table below for a real world example.
Example:
Guaranteed Annual kWh: 6,500
Actual Annual kWh: 5,525
Annual Lease payment: $720.00
Credit to You: $108.00 (system produced 15% less power, you get a 15% credit)

B. If at the end of each successive twelve (12) month anniversary of your first monthly payment the Actual Annual kWh is *greater* than the Guaranteed Annual kWh during any twelve (12)

CLEAN ENERGY SYSTEMS, LLC
111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax

month period, this surplus will be carried over and will be used to offset any deficits that may occur in the future. If your System produces more energy than the Guaranteed Annual kWh then this additional energy is yours at no additional cost.

"Actual Annual kWh" means the AC electricity produced by your System in kilowatt-hours measured and recorded by the utility provider during each successive twelve (12) month anniversary of your first monthly payment, or to the extent such services are not available, we will estimate the Actual kWh by reasonable means.

(ii) System Failure. If you are leasing the System during the Lease Term and the System is unable to generate any electricity (a "System Failure"), Clean Energy Systems will credit you according to the production guarantee.

Period shall not decrease by more than fifteen percent (15%).

(d) Maintenance and Operation.

General. You agree to operate and maintain the system according to manufacturer's recommendations.

(e) Making a Claim; Transferring this Warranty.

(i) Claims Process. You can make a claim by:

A. Emailing us at the email address in Section 6 below;

B. Writing us a letter and sending it overnight mail with a well-known service; or

C. Sending us a fax at the number in Section 6 below.

(ii) Transferable Limited Warranty. Clean Energy Systems will accept and honor any valid and properly submitted Warranty claim made during the Warranty Period by any person who either purchases the System from you or to whom you properly transfer the Lease.

(f) Exclusions and Disclaimer. The limited warranties and guaranty provided in this Limited Warranty do not apply to any lost electricity production or any repair, replacement or correction required due to the following:

(i) someone other than Clean Energy Systems or its approved service providers installed, removed, re-installed or repaired the System;

(ii) destruction or damage to the System or its ability to safely produce energy not caused by Clean Energy Systems or its approved service providers while servicing the System (e.g. a tree falls on the System);

(iii) your failure to perform, or breach of, your obligations under the Lease. (such as if you modify or alter the System);

(iv) your breach of this Limited Warranty including being unavailable to provide access or assistance to us in diagnosing or repairing a problem or failing to maintain the System;

(v) any Force Majeure Event (as defined below);

(vi) a power or voltage surge caused by someone other than Clean Energy Systems including a grid supply voltage outside of the standard range specified by your utility;

(vii) shading from foliage that is new growth or is not kept trimmed to its appearance on the date the System was installed;

(viii) any System Failure not caused by a System defect (e.g. such as making roof repairs); or theft of the System.

This Limited Warranty gives you specific rights, and you may also have other rights which vary from state to state. This Limited Warranty does not warrant any specific electrical performance of the System, other than that described above.

THE LIMITED WARRANTIES DESCRIBED IN SECTIONS 1(a) and (b) ABOVE ARE THE ONLY EXPRESS WARRANTIES MADE BY CLEAN ENERGY SYSTEMS WITH RESPECT TO THE SYSTEM. CLEAN ENERGY SYSTEMS HEREBY DISCLAIMS, AND ANY BENEFICIARY OF THIS LIMITED WARRANTY HEREBY WAIVES, ANY WARRANTY WITH RESPECT TO ANY COST SAVINGS FROM USING THE SYSTEM.

2. Clean Energy Systems' Standards.

For the purpose of this Limited Warranty the standards for our performance will be (i) normal professional standards of performance within the solar photovoltaic power generation industry in the relevant market; and (ii) Prudent Electrical Practices. "Prudent Electrical Practices" means those practices, as changed from time to time, that are engaged in or approved by a significant portion of the solar energy electrical generation industry operating in the United States to operate electric equipment lawfully and with reasonable safety, dependability, efficiency and economy.

3. System Repair, Relocation or Removal.

(a) You agree that if (i) the System needs any repairs that are not the responsibility of Clean Energy Systems under this Limited Warranty, (ii) the system needs to be removed and reinstalled to facilitate remodeling of your Home or (iii) the system is being relocated to another home you own pursuant to the Lease, you will have Clean Energy Systems, or another similarly qualified service provider, at your expense, perform such repairs, removal and reinstallation, or relocation on a time and materials basis.

(b) If you want to return the System to Clean Energy Systems under Section 17 of the Lease then Clean Energy Systems will remove the System at no cost to you. Clean Energy Systems may leave or remove the posts and waterproof the post area. Clean Energy Systems will warrant

the waterproofing for one (1) year after it removes the System. Color matching of the patched roof area will be done with material you provide to us. You agree to reasonably cooperate with Clean Energy Systems in removing the Solar Panel System including providing

CLEAN ENERGY SYSTEMS, LLC
111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax

necessary space, access and storage and we will reasonably cooperate with you to schedule removal in a time and manner that minimizes inconvenience to you.

4. Force Majeure.

If Clean Energy Systems is unable to perform all or some of its obligations under this Limited Warranty because of a Force Majeure Event, Clean Energy Systems will be excused from whatever performance is affected by the Force Majeure Event, provided that:

1. Clean Energy Systems, as soon as is reasonably practical, gives you notice describing the Force Majeure Event;
2. Clean Energy Systems' suspension of its obligations is of no greater scope and of no longer duration than is required by the Force Majeure Event; and
3. No Clean Energy Systems obligation that arose before the Force Majeure Event that could and should have been fully performed before such Force Majeure Event is excused as a result of such Force Majeure Event. "Force Majeure Event" means any event, condition or circumstance beyond the control of and not caused by Clean Energy Systems' fault or negligence. It shall include, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; the binding order of any governmental authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any governmental authority (provided that such action has been timely requested and diligently pursued); unavailability of electricity from the utility grid, equipment, supplies or products (but not to the extent that any such availability of
any of the foregoing results from Clean Energy Systems' failure to have exercised reasonable diligence); and failure of equipment not utilized by Clean Energy Systems or under its control.

5. Limitations on Liability.

(a) No Consequential Damages. YOU MAY ONLY RECOVER DIRECT DAMAGES AND THOSE AMOUNTS DUE PURSUANT TO SECTION 1(b) UNDER THIS LIMITED WARRANTY, AND IN NO EVENT SHALL CLEAN ENERGY SYSTEMS OR ITS AGENTS OR SUBCONTRACTORS BE LIABLE TO YOU OR YOUR ASSIGNS FOR SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

(b) Limitation of Duration of Implied Warranties. ANY IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY ARISING UNDER STATE LAW, SHALL IN NO EVENT EXTEND PAST THE EXPIRATION OF ANY WARRANTY PERIOD IN THIS LIMITED WARRANTY. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

(c) Limit of Liability. Notwithstanding any other provision of this Limited Warranty to the contrary, Clean Energy Systems' total liability arising out of relating to this Limited Warranty shall in no event:

(i) For System Failure or Replacement: exceed the sum of the Lease payments over the Term of the Lease; and
(ii) For damages to your Home, Belongings and Property: exceed two hundred thousand dollars ($200,000) provided that the damages are caused solely by Clean Energy Systems or the System and the damages are covered by our insurance.

6. Notices.

All notices under this Limited Warranty shall be in writing and shall be by personal delivery, facsimile transmission, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices shall be sent to the party identified in this Agreement at the address set forth below or such other address as either party may specify in writing. Each party shall deem a document faxed to it as an original document.

To Clean Energy Systems, LLC:
111 E Dunlap #1-293
Phoenix, AZ 85020
Attention: Warranty Claims
Telephone: 602-995-8100
Facsimile: 602-995-8101
Email: notice@Clean-Energy-Systems.com
To You: At the billing address in the Lease or any subsequent billing address you give us.

7. Applicable Law.

CLEAN ENERGY SYSTEMS, LLC

111 E. Dunlap #1-293 Phoenix, AZ 85020 * 602-995-8100 * www.GiveMeFreePower.com * 602-995-8101 fax

The laws of the state of Arizona shall govern this Limited Warranty without giving effect to conflict of laws principles. You agree that you cannot pursue any dispute as a "class action" unless the amount in dispute between us is less than one thousand dollars ($1,000), not including any claim you might bring for attorneys' fees or punitive or exemplary damages where provided by law.
YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS PERTAINING TO ANY DISPUTE UNLESS THE AMOUNT IN DISPUTE IS LESS THAN ONE THOUSAND DOLLARS ($1,000), NOT INCLUDING ANY CLAIM YOU MIGHT BRING FOR ATTORNEYS FEES OR PUNITIVE OR EXEMPLARY DAMAGES WHERE PROVIDED BY LAW.
If any portion of this section of this Limited Warranty is determined to be unenforceable, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable.

8. Assignment and Transfer of this Limited Warranty.

Clean Energy Systems may assign its rights or obligations under this Limited Warranty to a third party without your consent, provided that any assignment of Clean Energy Systems' obligations under this Limited Warranty shall be to a party qualified to perform such obligation. This Limited Warranty protects only the person who leases the System. Your rights and obligations under this Limited Warranty will be automatically transferred to any person who purchases the System from you or to whom you properly transfer the Lease.

9. Entire Agreement; Changes.

This Limited Warranty contains the party's entire agreement regarding the limited warranty of the System. Clean Energy Systems' obligations under this Limited Warranty are separate and distinct from its, or its assigns, obligations under the Lease and any breach of this Limited Warranty shall not affect your obligations under the Lease. The Lease may be assigned to a third party without assignment of Clean Energy Systems' obligations under this Limited Warranty.
Clean Energy Systems' obligations under this Limited Warranty may only be assigned in writing to a party that expressly accepts responsibility in writing for Clean Energy Systems' obligations under this Limited Warranty. There are no other agreements regarding the limited warranty of the System, either written or spoken. Any change to this Limited Warranty must be in writing and signed by both parties. If any portion of this Limited Warranty is determined to be unenforceable, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable. Provisions that should reasonably be considered to survive termination of this Limited Warranty shall survive.

Lessee Signature: [redacted] **Lessee Signature:** [redacted]

Printed Name: [redacted] **Printed Name:** [redacted]

Date: [redacted] **Date:** [redacted]

EXHIBIT "E"

LEASE AGREEMENT
for
Embedded Energy System™ (EES)

This EES LEASE AGREEMENT (the "**Agreement**"), is a request by the Lessee to enter into an Agreement with Pristine Sun LLC and/or its assigns, for Lease of small wind energy (where permissible and approved by the Lessee (defined below)), solar thermal, and/or solar photovoltaic devices and all other power electronics, electrical wiring, and structural hardware necessary to interconnect the wind, solar thermal, and/or solar photovoltaic devices to a physical address and its load serving entity (hereinafter referred to as the Embedded Energy System™ or "**EES**"), and to provide the necessary services for the engineering, the procurement of necessary permissions and equipment, and the construction, operation, and maintenance of the EES, (hereinafter collectively referred to as "**Service**"). By completing and signing this Agreement, the Lessee is agreeing to a Lease of the EES, and hereby accepts the TERMS AND CONDITIONS stipulated in this Agreement. Furthermore, Lessee acknowledges that, once duly completed and accepted by the Lessor as acknowledged by Lessor in a LETTER OF ACCEPTANCE, this Agreement shall constitute a binding EES LEASE AGREEMENT. LESSEE MAY CANCEL THIS AGREEMENT WITHIN FIVE DAYS OF RECEIPT OF A LETTER OF ACCEPTANCE FROM THE LESSOR WITHOUT PENALTY. Lessee does have additional cancellation rights beyond the five day period. These additional cancellation rights are available to Lessee prior to the acceptance by the Lessee of the EES Design Document indicated by Lessee's signature on the EES Design Document and submission of the EES Design Document to Lessor. These additional rights are explained in the attached TERMS AND CONDITIONS, section 9.2. LESSEE DOES NOT HAVE ADDITIONAL CANCELLATION RIGHTS BEYOND THE ACCEPTANCE OF THE EES DESIGN DOCUMENT.

PLEASE READ CAREFULLY, SIGN AND RETURN.

1. Parties and General Lease Terms and Conditions.
The Parties to this Agreement are Pristine Sun, LLC and/or its assigns, including its parent company, collectively referred to as the "**Lessor**" and the property owner as described hereinafter and referred to as the "**Lessee**."

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the EES. Lessor hereby grants an irrevocable and exclusive right to Lessee of any and all energy output, in kWh, and environmental attributes, including but not limited to renewable energy certificates (REC's, aka Green Tags), carbon credits, and other emissions offsets, produced by the EES.

Lessee Company Name: _____
Contact Person's Name: _____
Lessee Address: _____
Lessee City, State, ZIP: _____
Lessee Mobile Phone: _____
Lessee Email Address: _____

2. Area of Use, Effective Lease Rate and Term:
The area where the EES to be provided under this Lease Agreement will be used, and where the provision of the associated Service will be rendered, shall take place at the address indicated below, hereinafter referred to as the "**Agreement Address.**" Additionally, the lease rate and term for which such Lease and Service will be provided is described below and is subject to the area of use. If it is determined that such Agreement Address as described below is in fact not where the EES will be used, then the terms and conditions of this Agreement are null and void; or at minimum, the rate will be adjusted to the then applicable and current rate of the true area of use. The Lessor provides renewable energy generation equipment and services to properties in the United States.

Agreement Address: _____
Agreement City/State/ZIP: _____
Agreement Utility Territory: _____
Agreement Term: 20 Years
Lease Rate: $105.81 (per month)
Lease Rate Annual Escalator: 1.5% (per year)
Buyout after completion of Term: Fair Market Value
EES Size (DC): 11.1 (kW DC Nameplate Capacity)*
EES Size (AC): 9.4 (~kW AC Nameplate Capacity)
Estimated Annual Energy Output: 12,667 (~61% of Lessee usage) (kWh/year)
Deposit payment: $ 211.61 (first and last months' lease payment)

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.

*Size of system may drastically change due to Rebate/Incentive maximums and/or utility restrictions.

Lessee

3. Disclosures and Signatures: Lease of the EES and Services performed in conjunction with such Lease Agreement is governed by the TERMS AND CONDITIONS. The TERMS AND CONDITIONS cover important topics such as fees for early termination and late payments, Lessor's rights to change its conditions and the Lessee's service, limitation of liability, privacy, and settlement of disputes by arbitration instead of in court.

By signing this Agreement, LESSEE HEREBY REPRESENTS THAT LESSEE HAS RECEIVED AND READ THE ATTACHED TERMS AND CONDITIONS, and agrees to be bound by such agreements and documents as are currently in effect and as may be amended from time to time.

Lessee represents that the Lessee is at least 18 years old and has the legal capacity to accept this Agreement.

Agreed to by the Lessee:	Agreed to by Pristine Sun, LLC (the Lessor):
By: _____ [Signature]	By: _____ [Signature]
Name: _____	Name: _____
Title: _____ [If signer is an authorized company representative]	Title: _____
Date: _____	Date: _____

Sales Agency: _____

Sales Associate Signature: _____

Sales Associate Name: _____

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.

EES LEASE AGREEMENT - TERMS AND CONDITIONS

The General Terms and Conditions are as follows:

1. EES Equipment Components Included in the Lease Agreement amount(s) payable by Lessee to Lessor (**"Payment"**):
The EES equipment that has been or will be provided to the Lessee as part of this Agreement includes, but is not limited to, any number of:

a) DC solar PV panels and or DC PV arrays, DC to AC inverter(s), corresponding electrical wiring, electrical and mechanical connections, a Meter, and a DG (Distributed Generation) interconnect device;
b) Solar thermal panels and related equipment with BTU meter(s); and/or
c) Wind energy turbine with inverter, corresponding electrical wiring, electrical and mechanical connections, a Meter, and a DG interconnect device.

The exact equipment required for each Lessee varies and, therefore, is specifically engineered for the unique needs of the Lessee. The equipment is set forth in the **EES Design Document** and is hereinafter incorporated by reference. Concordantly, the *stipulated* equipment value of the EES equipment is subject to the exact equipment associated with a Lessee's EES as defined by the Lessor in the post installation documents. The Proof of delivery and return of the post installation documents will be provided by both parties through execution of a Delivery Receipt. If additional equipment is provided and / or requested by the Lessee, Lessee will pay additional Payment as mutually agreed upon with Lessor. Lessee reserves the right to refuse any such change.

1.1. Change in EES Equipment:
In the operation and maintenance of the EES equipment, it may be determined that certain equipment must be repaired, refurbished, or replaced. The change of equipment for the purposes of repairing, refurbishing, or replacing will not have an effect on the Terms and Conditions of this Agreement. Any replacement equipment will be reflected in an updated Equipment List. From time to time, Lessor may determine that the amount of equipment necessary should be increased or decreased to more closely match the Lessee's demand. In this instance, the Equipment List will be updated. Lessee reserves the right to refuse any such change.

2. EES Services Included in Payment:
2.1. Engineering, Procurement, and Construction:
Lessor will engineer, procure necessary equipment and permissions, and construct a EES system that meets the Lessee's approval, provided that (i) Lessee is present and available for the initial Site Review; (ii) the installation Address for the EES meets all suitability requirements to substantiate good performance conditions for the EES; (iii) Lessee approves of the engineering design of the EES; (iv) all licenses, permits, and permissions are obtained; (v) Lessee makes the Address in Agreement accessible for the construction of the EES; and (vi) the Lessee, again, is present and available for the final inspection and commissioning of the EES.

Lessor shall be responsible for obtaining any license, permit or permission from any governmental or regulatory agency which may be necessary for or imposed upon the operation of the EES on behalf of the Lessee. This does not preclude the Lessee, however, from assisting the Lessor in whatever manner necessary to ensure that such license, permit or permission is obtained. Such licenses, permits and permissions include, but are not limited to, building permits, utility interconnection agreements, mortgage letters of acknowledgment, and UCC security interests. Should Lessor be unsuccessful in obtaining all prerequisite licenses, permissions, agreements and/or acknowledgments, this Agreement will be invalid.

2.2. Operating and Maintenance:
Lessor will commission the EES upon final inspection. Once commissioned, Lessor will monitor the operation of the EES using a password-protected Internet web portal meter (the **"Meter"**). Lessee shall provide an Internet connection for the Lessor's use (either WiFi or an available Ethernet port) and shall use reasonable efforts to keep this Internet connection up and available at all times. Performance of the EES shall be monitored and data stored will relate to the condition of the equipment and the power generated by the PV panels. This data will be reported to the Lessor on a daily basis and utilized to analyze the condition and performance of the EES. Data will then be used to perform maintenance, reporting, and emissions offset services. Unless another reporting service is provided by the Lessor, EES data is transmitted via the internet. The EES must always be directly connected to the internet to perform reporting duties.

Lessor will be the exclusive source to maintain the EES and will maintain the EES in operational condition. Lessee will make the Address in Agreement accessible and the EES available to Lessor for maintenance and inspection during the Term of this Agreement at any reasonable time. In the event that the EES equipment are beyond repair in the field, Lessor will pay all costs for shipment to Lessor's repair centers and shall be liable for any loss or damage during transportation. Lessor will replace equipment with functioning equivalents during the period of repair. Upon repair, Lessor has the option to (i) return the equipment to the Lessee and shall be liable for any loss or damage during transportation, and (ii) retain the original equipment and update the Equipment List. Such maintenance will be provided without charge to Lessee for malfunctions and failures due to manufacturing defects and normal wear and tear. Maintenance required for other malfunctions and failure or damage such as caused by abuse, accident, or improper operation is covered under Section 5.2.

Malfunction or failure of operation covered by this section will result in the reduction of Payment to the Lessee as covered in Section 3. In no event will Lessor be liable for any loss of profits, indirect, consequential or other damages resulting from any failure of the EES.

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.

If Lessor's performance of any obligation hereunder is delayed due to reasons beyond Lessor's reasonable control, the time for performance of such obligation will be postponed for a period equal to the number of days of such delay. In no event will Lessor be liable for any damages resulting from any delay in the delivery of any component or any delay in the performance of any maintenance.

The Lessee will exercise due care in the use and operation of the EES and such use and operation shall be only according to written instructions provided by Lessor. Lessee will not use or operate the EES in any illegal manner or for any illegal purpose nor in violation of any law, ordinance or regulation. The Lessee will not open the EES electronics enclosure housing, alter or repair or permit the alteration or repair of the EES, remove or relocate or permit the removal or relocation of the EES, or make any attachments thereto, without the prior written approval of Lessor.

2.3. Reporting:
Lessor will provide the Lessee with access to the Meter, which shall contain regularly updated information regarding the condition and performance of the EES. In addition, an annual report will be made available at the end of each Calendar year. Monthly and annual reports will be stored for three years by Lessor.

2.4. Temporary Removal and Relocation:
Lessor will temporarily remove the EES at the request of the Lessee one time during the term of the Lessee's Agreement for the purpose of roof repairs, subject to the charges stated in Section 7.4. Lessee also understands that a request for Temporary Removal must be submitted at least 30 days prior to the service being performed.

2.5. Decommissioning:
Lessor will decommission the EES once the Term of Agreement has been completed and no other options have been selected. Lessor will recover the equipment. Lessor will repair - or replace if necessary - the roofing material where the PV array infringed upon the roof and re-plaster or caulk all holes that were created by the mounting structures. Lessor is not responsible for damages or general wear and tear to the house or surrounding structures and fixtures that was not caused by the EES or the decommissioning thereof.

3. *Warranty and Performance Guarantee:*
3.1 EES Performance Guarantee:
Lessor warrants that each item of equipment will be suitable for normal operation and use at the time of delivery and installation. Lessor guarantees that the EES will provide the Lessee with the ability to provide a portion of their energy annually, as spelled out in Section 3.2 below. Lessor guarantees the EES's operation under two separate performance guarantees.

3.1.1 System Failure Guarantee:
If the EES malfunctions, or if a component of the EES fails, causing the EES to cease operating for a period of time, Lessor will provide maintenance in accordance with Section 2.2 and Lessor will extend the Term of the Agreement for the total number of days that the system was not in operation. A per diem amount will be subtracted from the Payment until the system is restored. The daily amount subtracted is equal to 1/365 of Lessee's annual Payment.

3.1.2 Performance Guarantee:
PV system performance declines nominally over time. Lessor's monitoring systems will read the EES's actual generation output on a monthly basis, to an accuracy rate of +/- 10 kWh per month.
3.1.3 General EES Performance:
The EES generates electricity by converting sunlight into electricity in the case of solar PV (and/or wind flow kinetic energy into electricity in the case of a wind energy turbine, and/or solar radiation into thermal heat (measured in British Thermal Units, or **BTU**'s) in the case of solar thermal), so the EES cannot be expected to generate optimal peak energy output when the sun or wind is not available, or if there are climatic conditions such as cloud, snow, or dust coverage that interfere with solar irradiance, or if local objects fall on top of or shade the array. In addition, soil build up may also degrade the EES's ability to generate electricity.

The EES is typically interconnected with the local load serving entity, so Lessor cannot guarantee EES operation when there is a grid failure. The anti-islanding features of the EES ensure the safety and well being of line crews that may be repairing a portion of the grid that caused such grid failure. Lessor does guarantee that the EES will continue to operate when there is a grid failure.

Lessor cannot guarantee EES operation where damage or loss has been caused by nature or a natural disaster. Lessor will guarantee that maintenance will be provided as soon as possible to restore the EES to its original operating condition. The speed at which Lessor restores such EES depends upon the size and scope of the natural disaster, and the resources available to the Lessor to respond to the disaster.

Lessor cannot guarantee EES operation where theft, or deliberate damage, tampering or interference has occurred. Lessor will work to restore the EES to operating condition as quickly as possible at no charge to the Lessee, unless it is found that Lessee has caused or has enlisted someone to cause deliberate damage, tampering, or interference of the EES, or is found to be involved in the theft of the EES in whole or in part. The liability of the Lessee in such instances is detailed further in Section 5.2.

LESSOR CANNOT PROMISE UNINTERRUPTED OR ERROR-FREE OPERATION OF THE EES AND DOESN'T AUTHORIZE ANYONE TO MAKE ANY WARRANTIES ON ITS BEHALF.

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.

4. Ownership and Security Interest:
4.1. Ownership:
Lessee acknowledges that Lessor is and shall remain the owner of the EES unless title is conveyed to the Lessee by a separate sale agreement. Lessee will protect Lessor's ownership rights against claims, liens and other encumbrances by Lessee's creditors or other claimants against Lessee. Lessee will not remove, obliterate or obscure markings which identify Lessor as owner of the EES. Lessor further acknowledges that Lessee has initial unconditional title to all energy and environmental attributes generated by the EES.

Lessee may purchase the EES at the completion of the Term of this Agreement for the fair market value of the EES at the time of purchase, to be determined using a third party renewable energy system appraiser. Lessee may elect to purchase the EES at fair market value prior to the completion of the Term but no sooner than after the completion of the third (3rd) year of this Agreement, subject to approval by Lessor, such approval not to be unreasonably withheld.

4.2. Security Interest:
Lessee will execute and deliver to Lessor documents and forms which are reasonably necessary or desirable to protect Lessor's ownership and interest in the EES, including finance statements under the Uniform Commercial Code.

5. Insurance and Risk of Loss, Damage, or Theft:
5.1. Insurance:
Lessor will provide appropriate insurance for the EES during the Term of this Agreement.
5.2. Risk of Loss, Damage, or Theft:
Lessor will bear responsibility for all failures, damage to or loss of equipment whether due to theft or other source of loss, except for manufacturing defects and normal wear and tear covered under Section 3. In the event of any such damage or loss, Lessee will promptly give Lessor notice thereof and the Lessor will contact the insurance company or the equipment manufacturer to replace or repair the EES. The Lessor will then provide the Lessee with an estimated time for replacement or repair. The warranty will apply under Section 3.1.1.

In the case that the Lessee is responsible for any theft or damage to the equipment, the Lessee will pay to the Lessor an amount equal to the EES value or fraction thereof for the damaged or lost equipment as determined by the most recent Equipment List. In such case, the Payment and other obligations of the Lessee shall continue until the payment is made. After payment is made, this Agreement will terminate as to the equipment involved.

6. Limitation of Liability:
UNLESS THE LAW FORBIDS IT IN ANY PARTICULAR CASE, PARTIES EACH AGREE TO LIMIT CLAIMS FOR DAMAGES OR OTHER MONETARY RELIEF AGAINST EACH OTHER TO DIRECT DAMAGES. THIS LIMITATION AND WAIVER WILL APPLY REGARDLESS OF THE THEORY OF LIABILITY, WHETHER FRAUD, MISREPRESENTATION, BREACH OF AGREEMENT, PERSONAL INJURY, PRODUCTS LIABILITY, OR ANY OTHER THEORY. THIS MEANS THAT NEITHER PARTY WILL SEEK ANY INDIRECT, SPECIAL, CONSEQUENTIAL, TREBLE, OR PUNITIVE DAMAGES FROM THE OTHER.

7. Payments and Charges:
In return for use of the EES and receiving associated Service, Lessee promises to pay as follows:

7.1. Payment:
The Payment is the monthly Lease Rate shown on page one (1) of this Agreement. Lessee further agrees to pay applicable Payment and any other applicable fees promptly upon receipt of monthly Payment and service bill by the due date. A late fee will be assessed for late payments per Section 7.5. A security deposit as noted in Section 7.2 will be taken by Lessor as security for the return of the EES in good condition. This security deposit is not a charge and Lessee, by signing this Agreement, agrees to the payment of this security deposit upon approval of the engineering design. Also, the security deposit does not release Lessee from further liability and obligations if Lessee fails to return the EES in good operating condition. The Lessee will return the EES at the end of the Agreement Term and, if Lessee fails to provide access to the EES for recovery, will pay an equivalent daily Payment based on the applicable monthly Payment for any time after the Termination Date. Until Lessor recovers the EES, the Lessee shall remain bound by the obligations of this Agreement.

Lessee will pay Payment until the Agreement is canceled. The outstanding balance is due in full each month. Lessor may, in its discretion, accept partial payments, which will be applied to the oldest outstanding statement. No "payment in full" notation or other restrictive endorsement written on Lessee's payments will restrict Lessor's ability to collect all amounts owing to it. Lessor may terminate Lessee's Agreement if Lessee does not pay on time, after any applicable grace period. Lessor may report payments past due more than 30 days to Business or Consumer credit reporting agencies.

Tax Grants, Rebates or Incentives. Any Federal, State or Local incentives, rebates and/or tax benefits (including but not limited to tax credits and/or depreciation) (collectively the "Benefits") are retained in full by, and are the sole property of, the Lessor. Lessor owns and operates the EES and leases the EES equipment to Lessee at a Lease Rate calculated under the assumption that Lessor receives 100% of the value of these Benefits and Lessor is therefore entitled to these Benefits and Lessee hereby agrees to transfer any interest in the Benefits to the Lessor. If any payments or credits are issued to the Lessee by accident or otherwise, directly, or indirectly, the Lessee shall immediately notify Lessor by telephone and by writing (email is acceptable as long as Lessee receives an acknowledgement of receipt of the email from Lessor) and forward payment of any funds held by Lessee to Lessor within two (2) business days.

7.2. First Month estimated billing, to be paid in advance:

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.

A Security Deposit in the form of the first and last month's Lease Rate is paid in advance and is required of the Lessee upon approval of the EES's Design Document and/or no later than one day after initial delivery of at least twenty percent of the total EES equipment to your property as written above on the signature page of this Agreement. The Security Deposit is two (2) months' estimated billing cycles unless otherwise noted in this Agreement. This Security Deposit and any interest is maintained by Lessor and will be applied against the recovery cost of a EES in the event of Lessee cancellation or Lessor termination of the Agreement because of Lessee's failure to pay or for some other breach on Lessee's part. Upon completion of this Agreement, and after final Payment and other charges are paid in full, the Security Deposit will be applied to the final bill under the Term of this Agreement or returned to the Lessee.

7.3. Test and/or Repair Charge:
If returned equipment appears broken due to misuse, a test and repair charge of up to $50.00 for each component appearing to be broken may be assessed for inspection, testing and minor repairs required to return the equipment to service. This charge will be payable at the end of this Agreement. If the equipment cannot be repaired, the Lessee will be notified and will be responsible for the designated replacement cost of the equipment.

7.4. Temporary Removal Fees:
From time to time, Lessee may require Lessor to temporarily remove the EES to make roof repairs. The cost to temporarily remove the system to make roof repairs is $500 plus 15 cents per watt DC for every watt DC greater than 5 KW DC. Additional charges will apply if the EES is out of service for more than 30 days. In the instance of a EES being temporarily removed for more than 30 days, the Lessee will be required to pay a Monthly Payment equal to the average Monthly Payment of the previous 12 billing months for every 30 days that it is removed.

Lessees entering into a 20 year commitment will have the option of temporarily removing the EES system, for roof repairs, one-time free of charge, and only after the conclusion of the fifth year, unless the removal exceeds 30 days, and then the Lessee will be required to pay a Monthly Payment equal to the average Monthly Payment of the previous 12 billing months for every 30 days that it is removed.

7.5. Late Fees, Penalties and Other Fees:
If Lessor does not receive Lessee's payment by the due date on Lessee's bill, Lessor may charge an administrative late fee of the lesser of (i) up to **$10.00**; or (ii) the maximum amount permitted under and subject to applicable law per month or partial month until the delinquent amount is paid in full. This late fee is not an interest charge, finance charge or other such charge or payment of a similar nature. Lessee acknowledges that this fee is reasonably related to the actual expense Lessor incurs due to late payment and may be subject to limitations set forth by law in Lessee's state. If any bank or other financial institution refuses to honor any payment, draft or instrument submitted for payment to Lessee's account, Lessor may charge Lessee a fee the lesser of (i) up to **$35.00**; or (ii) the maximum amount permitted by applicable law. Lessee acknowledges that this fee is not an interest charge, finance charge or other such charge or payment of a similar nature and it is reasonably related to the actual expense Lessor incurs due to unsatisfied payment.

If Lessor terminates Service because of Lessee's failure to pay or for some other breach on Lessee's part, Lessor has the right to retain the Lessee's Security Deposit that was provided at the beginning of the Agreement, unless the cancellation is covered under 2.1, 2.6, 7.7, or 16.3. Lessee acknowledges that this fee is not an interest charge, finance charge or other such charge or payment of a similar nature and it is reasonably related to the actual expense Lessor incurs due to recovery of the EES. This does not release the Lessee from any other liability or obligations in conjunction with Payments owed prior to cancellation or termination of the Agreement, late fees, returned payment fees, collection fees, test and/or repair charges, or replacement costs. All such fees and charges continue to be the responsibility of the Lessee and owed to the Lessor. To the extent permitted by law, Lessee will pay Lessor any costs and fees that it reasonably incurs to collect amounts Lessee owes to Lessor.

7.6. Taxes, Fees and Surcharges:
Lessee agrees to pay all taxes, fees, and surcharges set by the government, whether local, state or federal. Lessor may not always give advance notice of changes to these items.

7.7. Utility Charges:
Lessee acknowledges that the EES is not a primary source of electricity and that connection with the local load serving entity is required to guarantee reliable electricity service. In light of this, Lessee will most likely be required to pay a minimum service fee to the electric utility. Furthermore, electricity charges and other such charges may be assessed by the utility on the Lessee for use of service and consumption of electricity. Lessee agrees to pay these fees and charges to the utility and maintain electric utility service throughout the duration of the Agreement. Failure to do so may cause the Lessee's electric service to be disrupted and will result in Lessor recovering the EES, a loss of Security Deposit, and the possibility of other charges and fees being assessed on the Lessee as described in 7.3 and 7.5.

Lessee will deal directly with their utility regarding any net metering laws that remain in effect throughout the duration of the Agreement. Lessor is not liable or responsible for handling net metering billing issues or any other issues pertaining to net metering.

7.8. Calculating Charges:
The Lessee's bill reflects the fees and charges in effect under the Agreement. Once this has been completed, Lessor then attaches any fees, charges, or unpaid balances owed, for a total bill. Lessees can dispute their bill, but only within 60 days of receiving it. LESSEE MUST STILL PAY ANY DISPUTED CHARGES UNTIL THE DISPUTE IS RESOLVED.

7.9. Billing Statements:

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.

Lessor will send Lessee a statement for each billing cycle on the first of every month for the previous month. Statements will show: (i) payments, credits, Payments and any other charges to Lessee's account; (ii) the amount Lessee owes Lessor; and (iii) the payment due date. The Lessee Bill is Lessor's notice to Lessees of their fees, charges and other important information. Lessees should read everything in their bill. Lessees may be able to view their detailed bill online. If Lessees think their statement is incorrect or if Lessees need more information about it, contact Lessor immediately. Lessor will try to resolve any complaints Lessees have as promptly as it can.

7.10. Payments:
Payment is due in full as stated on Lessee's bill. IF LESSOR DOES NOT RECEIVE PAYMENT IN FULL WHEN DUE, LESSOR MAY CHARGE FEES ACCORDING TO SECTION 7.5.

8. Indemnity:
Lessee agrees to protect, indemnify and hold harmless Lessor from and against all claims, damages and costs including legal expenses arising out of the Lessee's use of this EES.

9. Termination:
Except as explicitly permitted by this Agreement, Lessee agrees to maintain Agreement with Lessor for the stipulated Term. Term extensions, due to periods of malfunction or failure, do not count towards the Term of this Agreement. ONCE COMPLETION DATE IS REACHED, UNLESS LESSEE NOTIFIES LESSOR THAT LESSEE WISHES TO CANCEL THE AGREEMENT, LESSOR WILL AUTOMATICALLY RENEW THE AGREEMENT AS A YEAR-TO-YEAR AGREEMENT, AS LONG AS LESSOR CONTINUES TO CARRY THE SERVICE OFFERING. PAYMENT WILL BE ADJUSTED ACCORDING TO LESSOR'S CURRENT PRACTICES, TAKING INTO ACCOUNT THE LESSEE'S GEOGRAPHIC AND UTILITY LOCATION.

Lessee understands that they will forfeit their Security Deposit if they terminate the Agreement, by default or breach of this Agreement, prior to the completion date of the Term. Lessee remains responsible for any unpaid fees or charges, is liable for any damage or repairs necessary to either replace the equipment of the EES or bring them back to good working condition, and/or is liable for any costs to relocate the EES to another site containing a paying Lessee.

9.1. Default:
If Lessee fails to pay amounts owed to Lessor when due, subject to any grace periods, or otherwise defaults, Lessor has the right to terminate this Agreement forthwith by notice to the Lessee. Upon such termination, (i) the balance of the Annual Payment, defined as all Payments due prior to termination, will be due and payable immediately and, (ii) Lessor has the right, at its option, to take possession of and remove the EES from service immediately. Any other damages or amount chargeable to the Lessee shall be immediately due upon such termination.

IN ADDITION TO FAILURE TO PAY AMOUNTS OWED, LESSOR CAN, WITHOUT NOTICE, LIMIT, SUSPEND, OR END THIS AGREEMENT OR ANY AGREEMENT WITH LESSEE FOR ANY GOOD CAUSE, including, but not limited to: (i) paying late more than twice in any 12 months; (ii) harassing Lessor's employees or agents; (iii) lying to Lessor; (iv) providing false or misleading credit information; (v) interfering with Lessor's operations; (vi) becoming insolvent or going bankrupt; (vii) foreclosure initiation on a mortgage loan; (viii) failing to maintain electric utility or telephone service or internet; (ix) using EES service in a way that adversely affects Lessor's systems or other Lessees; (x) tampering with or allowing anyone to tamper with the EES; or (xi) any action which jeopardizes Lessor's ownership or ownership rights or ability to take possession of the EES. Lessor may also cancel this Agreement if Lessee elects not to accept any changed terms described to Lessee, as provided in Section 16.3. And Lessor can temporarily limit Lessee's services and guarantees under this agreement for any operational or governmental reason.

9.2. Cancellation:
9.2.1. General Provisions. Once Lessee approves the EES Design Document and pays the security deposit (explained in 7.2), Lessee will lose the security deposit if the Agreement is terminated before the end of the Term without mitigating circumstances as explained in 2.1, 2.6, 7.7, or 16.3. If Lessee's actions have precipitated utility cancellation, the Lessor reserves the right to consider the termination a Lessee default under Section 9.0, retain the security deposit, and sue Lessee to collect the remainder of the payments due per this Agreement over its Term.

9.2.2 Right to Cancel Provided By Law. (Some specifics of this required section per State Law do not directly apply to this Agreement because Lessee will not pay for nor receive any product until after the site evaluation has occurred, as explained in 7.2.) You may CANCEL this Agreement without any penalty or obligation, within FIVE BUSINESS DAYS from the Date of this agreement, provided in the introductory section of this Agreement. If you cancel, any property traded in, any payments made by you under this agreement or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the Lessor of your cancellation notice, and any security interest arising out of the transaction will be canceled. If Lessee cancels, Lessee must make available to the Lessor, in substantially as good condition as when received, any goods delivered to the Lessee under this or sale; or Lessee may comply with the instructions of the Lessor regarding the return shipment of the goods at the Lessor's expense and risk. If Lessee does make the goods available to the Lessor and the Lessor does not pick them up within 30 days of the date of the Lessee's notice of cancellation, Lessee may retain or dispose of the goods without any further obligation. If Lessee fails to make the goods available to the Lessor, or if Lessee agrees to return the goods to the Lessor and fails to do so, then Lessee remains liable for performance of all obligations under the Agreement. To cancel this Agreement, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to address given in Section 13, to Pristine Sun, LLC NOT LATER THAN MIDNIGHT on the 5th Business Day after the Agreement was signed.

9.2.3 Further Cancellation Assurances Provided by Pristine Sun, LLC (Lessor). Lessee has the right, with no financial loss or obligation, to cancel this Agreement at any time before the Site Review. If Lessee cancels the Agreement before the Site Review, the Lessee has no further obligation of any kind. If Lessee cancels the Agreement during the Site Review, Lessee will again have no financial loss or obligation. To cancel this Agreement, notify

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.

Lessor in writing at the address given in Section 13. Cancellation will be effective on the date it is received by Lessor, provided the notice was postmarked or electronically transmitted on or before Lessee's acceptance of the EES Design Document.

10. Assignment and Transfer. Lessor may assign all or part of this Agreement or Lessee's debts without notice, and Lessee agrees to make all subsequent payments as instructed. This Agreement and the rights and obligations created hereunder shall not be reassigned by the Lessee without the prior written consent of Lessor. Lessor considers Lessee to be responsible for the EES. Lessee is liable for keeping people and property clear of the equipment of the EES as the system is electrical in nature and may cause severe bodily harm to individuals and or electrical damage to property.. Upon approval by Lessor, a Lessee may transfer the EES to another Lessee under the same Terms and Conditions of this Agreement so long as (i) the EES continues to remain at the Address identified in the Agreement, and (ii) the assuming new Lessee agrees to all of the terms and conditions of the Agreement.

11. Consent Regarding Credit. In order to establish an account with Lessor, Lessee authorizes Lessor to inquire into Lessee's creditworthiness, by checking with business or consumer credit reporting agencies. If Lessee is delinquent in any payment to Lessor, Lessee also authorizes Lessor to report any late payment or nonpayment to credit reporting agencies. Due to the subjective nature of creditworthiness, Lessor reserves the right to require prepayment for any Payment via cashier's check, money order or credit card, notwithstanding Lessee's credit rating, past history or practice.

12. Dispute Resolution and Arbitration. In order to expedite and control the cost of disputes, Lessee and Lessor agree that any legal or equitable claim relating to this Agreement, any addendum, or Lessee Payment (referred to as a "Claim") will be resolved as follows:

12.1. Informal Resolution. Lessee and Lessor will first try to resolve any Claim informally. Accordingly, neither Lessee nor Lessor may start a formal proceeding for at least 60 days after either Lessee or Lessor notifies the other of a Claim in writing. Lessee will send notice to the address described in Section 13 of this Agreement, and Lessor will send its notice to Lessee's billing address.

12.2. Formal Resolution. If Lessee and Lessor cannot resolve a Claim informally, any Claim that either Lessee or Lessor asserts will be resolved only by binding arbitration. THERE'S NO JUDGE OR JURY IN ARBITRATION, AND REVIEW IS LIMITED, BUT AN ARBITRATOR CAN AWARD THE SAME DAMAGES AND RELIEF, AND MUST HONOR THE SAME LIMITATIONS IN THIS AGREEMENT, AS A COURT WOULD. IF AN APPLICABLE STATUTE PROVIDES FOR AN AWARD OF ATTORNEY'S FEES, AN ARBITRATOR CAN AWARD THEM, TOO. Lessee and Lessor also each agree, to the fullest extent permitted by law, that:

(i) The Federal Arbitration Act applies to this Agreement. Except for qualifying small claims court cases, any controversy or Claim arising out of or relating to this Agreement, or any prior Lease Agreement with Lessor or any of Lessor's affiliates or predecessors in interest, or any product or service provided under or in connection with this Agreement or such a prior Agreement, or any advertising for such products or services, will be settled by one or more neutral arbitrators before the American Arbitration Association ("AAA") or Better Business Bureau ("BBB"). Lessee can also bring any issues the Lessee may have to the attention of federal, state, or local government agencies and they can, if the law allows, seek relief against Lessor on Lessee's behalf.

(ii) For claims over $10,000, the AAA's Supplementary Procedures for Consumer-Related Disputes Rules will apply. For claims of $10,000 or less, the complaining party can choose either the AAA's Supplementary Procedures for Consumer-Related Disputes Rules, an individual action in small claims court, or the BBB's rules for binding arbitration. Both Lessee and Lessor may be required to exchange relevant evidence in advance.

(iii) Lessee can obtain procedures, rules, and fee information from the AAA (www.adr.org), the BBB (www.bbb.org), or from Lessor.

12.3. Special Rules. In the arbitration proceeding, the arbitrator has no authority to make errors of law, and any award may be challenged if the arbitrator does so. Otherwise, the arbitrator's decision is final and binding on all parties and may be enforced in any federal or state court that has jurisdiction. Neither Lessee nor Lessor shall be entitled to join or consolidate claims in arbitration by or against other individuals or entities, or arbitrate any claim as a representative member of a class or in a private attorney general capacity. If, however, the law of Lessee's state would find this agreement to dispense with class arbitration procedures unenforceable, then the agreement to arbitrate will not apply. If for any reason a claim proceeds in court rather than through arbitration, Lessee and Lessor each waive any trial by jury.

13. Notices. Notices to Lessee will be deemed given when personally delivered, addressed to Lessee at Lessee's last known address and deposited in the U.S. Mail (which may include inclusion in Lessee's billing statement), or sent via Internet to the e-mail address Lessee provided Lessor or delivered when a voice message is left at the telephone number on Lessee's account. Lessee's notices to Lessor will be deemed given when Lessor receives them at the address given below. Lessee agrees to provide true, accurate, current and complete contact information (Lessee's name, mailing address, address or telephone number), and maintain and promptly update Lessor with Lessee's contact information to keep it true, accurate and complete.

PRISTINE SUN LLC
970 W. Broadway, Suite E
P.O. Box 30000 #393
Jackson, WY 83002-1600

Fax notices to: **866-593-9753**
Email notices to: **Info@PristineSun.com**

14. Privacy. Lessor collects Personally Identifiable Information about its Lessees ("Personal Data"). The use and disclosure of this Personal Data is governed by Lessor's Privacy Policy and, to the extent not inconsistent with the Privacy Policy, by this Agreement. A copy of Lessor's Privacy Policy is available upon request. Except as provided in this Agreement, Lessor won't intentionally share personal information about Lessee without Lessee's permission. Lessor may use and share information about Lessee: (a) to protect ourselves; or (e) as required by law, legal process, or exigent

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.

circumstances. In addition, Lessee has authorized Lessor to investigate Lessee's credit history at any time and to share credit information about Lessee with credit reporting agencies. If Lessee asks, Lessor will tell Lessee the name and address of any credit agency that gives Lessor a credit report about Lessee. For training or quality assurance, Lessor may also monitor or record its calls with Lessee.

15. Online Access. Lessee is responsible for maintaining the confidentiality of the password and account username used for online billing and account maintenance with Lessor, and is fully responsible for all activities that occur under Lessee's password and account. Lessee agrees to: (i) keep Lessee's username and password confidential and not share them with anyone else; (ii) immediately notify Lessor of any unauthorized use of Lessee's password and account or other breach of security and (iii) use only Lessee's username and password to log into Lessor's online sites.

16. General.
16.1 Headings. The headings and titles to the section and paragraphs of this Agreement are inserted for convenience only and will not be deemed a part hereof or affecting the construction or interpretation of any provisions hereof.

16.2 Controlling Law. All questions concerning the validity, operation, interpretation and construction of this Agreement will be governed by and determined in accordance with the laws of the State of Delaware.

16.3 Severability. In the event that any one or more provisions contained in this Agreement should, for any reason, be held to be unenforceable in any respect under the laws of the state of Delaware, or the United States, unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such unenforceable provision had not been contained herein.

16.4 Previous Agreements. This Agreement supersedes all prior and contemporaneous agreements and representations made with respect to the same subject matter, and is the entire Agreement between the parties.

16.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy hereof.

16.6 Further Assurances. The parties agree to perform all acts and execute all supplementary instruments or documents which may be necessary or desirable to carry out the provisions of this Agreement.

Lessee's Initials: _____ I hereby agree to the terms and conditions on this page.