

Contracts



RESIDENTIAL LEASE - INSTRUCTIONS

Thank you for leasing a solar system from SunPower! We are excited to help you get your lease documents finalized so your system installation can begin. Please read these instructions carefully.

There are four primary items included with this package -

1. **Federal Consumer Leasing Act Disclosures** form.
 - a. Please print and review this document; ALL applicants must **sign & date** it at the bottom of page 3.
2. The **Lease Agreement**, ready to be signed and returned.
 - a. Please review the agreement; ALL applicants should **sign & date** it on page 12.
 - b. MA Residents: Please fill out and sign the bottom section of Exhibit G, page 23.
3. **Agreement for Pre-Authorized Payments** form.
 - a. The monthly lease payment is \$7.50 lower if we automatically withdraw the payment from your bank account. (see Section 1 (b) of the Lease Agreement)
 - b. **Completing and signing this form** allows us to implement this monthly ACH withdrawal (and saves you \$7.50 per month).
4. **Production Guarantee**
 - a. The last three pages of this packet is the SunPower Production Guarantee; this document defines the terms and guaranteed output ranges for your solar system.
 - b. Please keep this document in a safe place for future reference.

SunPower offers a fast and secure **electronic signature process** for your lease documents. The primary applicant will receive an email with a link to the lease documents. Once the primary applicant electronically signs the document it will be automatically emailed to the joint applicant for signature. After both parties have electronically signed the document it will be emailed to SunPower for execution. After the document is countersigned by SunPower you will receive an email with a copy of the fully executed lease agreement.

If you prefer to physically sign the lease agreement please follow the instructions on the email that you receive containing the agreements, and then do the following:

- a. Make sure that each document has been signed & dated where described above;
- b. Make a copy of the full document package for your records;
- c. Scan and e-mail a full set of executed documents to sunpowerleasing@sunpowercorp.com, and
- d. Send the original executed documents to SunPower at the address listed below.

SunPower Capital, LLC
10801 N. MoPac Expressway
Building 3, 5th Floor
Austin, TX 78759 USA

We look forward to providing you with clean renewable energy for years to come! Please contact us at (800) 786-7693 with questions.

Federal Consumer Leasing Act Disclosures

Lessee(s) : John Kloes,
Dealer/Installer: Potere Solar

Date: 1/21/2014
Lessor: SunPower Capital, LLC

These disclosures are made on behalf of Lessor and Dealer/Installer, and relate to that certain Lease Agreement to be entered into between Lessor and Lessee for the lease of the Leased Property described below. In these disclosures, Lessee is referred to as "you" or "your," and Lessor is referred to as "we," "us" or "our."

Description of the Leased Property. The Leased Property (the "System") is residential photovoltaic equipment consisting of:

- Solar modules manufactured by SunPower Corporation: (module model and quantity): SPR-327NE-WHT-D SunPower (28)
- Inverter(s) brand and model number(s) Sunpower- SUNNY BOY 8000US-12 - 277v (SPR-8001m)(1)
- Racking brand and model number(s): Solar Mount
- SunPower Monitoring System model number: SunPower Production Monitoring Kit
- Additional Equipment (*provide description and quantity of additional equipment leased*)

Amount Due at Lease Signing or Delivery.	Monthly Payments.	Other Charges	Total of Payments.
• Solar Incentive Amount (if applicable) \$0.00	<p>Your first monthly payment of <u>\$263.09</u> is due on the 1st of the month after the first full month following the Lease Term Start Date¹, followed by:</p> <p><u>11 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u> <u>12 monthly payments of \$263.09</u></p> <p>each due on the same date of the month as the first monthly payment. The total of your monthly payments is <u>\$63140.40^e</u>. OR If the Lease will be prepaid in full, full prepayment of Lease in the amount of <u>\$0.00</u> is due on the date the first monthly payment is due as first described above.</p>	<p>(Not part of your monthly payment)</p> <p>_____ \$ _____ \$</p> <p>Total</p>	<p>(The amount you will have paid by the end of the Lease)</p> <p><u>\$63140.40^e</u></p>

Purchase Option at End of Lease Term. You have an option to purchase the Leased Property at the end of the Lease Term for an amount equal to the System's Fair Market Value (as defined in Section 8 of the Lease), taking into account current and projected market conditions. The Fair Market Value will be determined either by us, at our expense, by reference to an independent appraisal firm we select, or by you, at your expense, based on a professional appraisal prepared by an independent third party you choose that is acceptable to us (as described in Section 8 of the Lease). This Fair Market Value does not include sales tax or other governmental charges. **Other Important Terms.** See your Lease Agreement and other documents for additional information on early termination, purchase options, maintenance responsibilities, warranties, late and default charges, and insurance.

^ee means an estimate inclusive of sales and use tax. ¹ The Lease Term Start Date is defined in the Lease as the date the System is placed into operation, as set forth in the written commissioning report from the Dealer/Installer, as may be amended by the Lessor, or otherwise documented by the utility, Dealer/Installer, or Lessor (or if such document is not available, the date upon which interconnection is complete and all approvals needed to operate the System are in place).

Lease Disclosures

IN CALIFORNIA, THE CALIFORNIA PUBLIC UTILITIES CODE SECTION 2869 REQUIRES THE FOLLOWING DISCLOSURES. THE ANSWERS TO THESE QUESTIONS ARE NOT INTENDED TO ANSWER ALL QUESTIONS YOU MAY HAVE ABOUT THE LEASE AND ONLY SUMMARIZE TERMS OF THE LEASE. PLEASE READ THE TERMS OF THE LEASE CAREFULLY, AS THE TERMS OF THE LEASE, AND NOT THIS DISCLOSURE, WILL LEGALLY BIND YOU AND GOVERN YOUR RELATIONSHIP WITH THE LESSOR. IN THE EVENT THIS DISCLOSURE IS INACCURATE OR INCONSISTENT WITH THE LEASE, THE TERMS OF THE LEASE ARE CONTROLLING.

1. **How much energy will the System generate?** The Lessor estimates, but does not guaranty, that 251990 - 278516 kilowatt hours of electric energy will be delivered over the term of the Lease. SunPower Corporation, Systems has provided you a Production Guarantee that commences at the same time as the Lease. Please consult the Production Guarantee for details on guaranteed output.
2. **How does the pricing in the Lease work?** The pricing and monthly payments are described in the Federal Consumer Leasing Act Disclosures. The Lessor estimates that the approximate price per kilowatt hour of electric energy supplied over the life of the Lease will be 0.23 per kilowatt hour.
3. **Who maintains and operates the System?** As the lessee of the System, you are primarily obligated to notify the Lessor if the System isn't working properly. Lessor, as owner of the System, will be responsible for any necessary maintenance and operation of the System. Lessor will ensure that the System is protected against damage, theft, destruction, confiscation, requisition, inoperability or incapacity unless you damage or destroy the System intentionally or through your negligence, in which case you will be responsible.
4. **What happens if I sell my home?** If you sell your home you may either:
 - (a) purchase the System and any unexpired warranties AS IS, WHERE IS for a purchase price equal to the Remaining Value Amount (as defined in the Lease); or
 - (b) require the buyer of your home to assume all of your obligations under this Lease. If you elect option (b) above your remaining obligations under the Lease will cease.If you sell your home and do not either purchase the System consistent with above option (a) or assign the Lease consistent with above option (b), then you will be in default under this Lease and Lessor will be entitled to do one or more of the following:
 - (1) terminate the Lease and take possession of the System;
 - (2) remove the System from your home and require you to pay removal, transport and redeployment costs;
 - (3) turn off or otherwise disable the System;
 - (4) recover from you all unpaid past rent, penalties and interest;
 - (5) recover the Early Termination Liability (as defined in the Lease);
 - (6) recover all unaccrued rent that would have been payable by you under the Lease for its entire term (discounted to present value) if the Lease had not been terminated;
 - (7) pursue any other remedies available under law for breach of the Lease; and
 - (8) recover from you reasonable attorneys' fees, expenses, arbitration and court costs relating to the enforcement of Lessor's rights under the Lease.
5. **What happens at the end of the Lease?** At the end of the Lease, if you are not in default, you will have three options:
 - (a) You may purchase the System for the price set forth in Section 8 of the Lease plus all applicable sales taxes. If you wish to exercise this option, you have to notify the Lessor at least 60 days before the Lease expires. If you purchase the System under this option you will retain the System and Lessor will not remove it;
 - (b) You may extend the Lease term. The rental rate for any extended term will be provided to you in writing by Lessor. If you wish to exercise this option, you have to notify the Lessor at least 60 days but not more than 180 days before the original Lease term expires. If you extend the Lease term, the System will remain in place until the extended Lease term has expired; or
 - (c) Upon notice to Lessor, request that Lessor remove the System.

THE SOLAR FACILITY IS OWNED BY SUNPOWER CAPITAL, LLC

You acknowledge that you have received and read these disclosures prior to the receipt of the Lease Agreement:

Lessee's Signature:

Name: John Kloes

Lease Agreement

THIS DOCUMENT DESCRIBES THE TERMS AND CONDITIONS OF YOUR LEASE OF A SOLAR PHOTOVOLTAIC SYSTEM THAT WILL BE INSTALLED AT YOUR HOME BY Potere Solar ("DEALER/INSTALLER") AND OWNED AND MAINTAINED BY SUNPOWER CAPITAL, LLC.

Lessee(s) - Name(s) and System Premises: Name(s): <u>John Kloes</u> Address: <u>626 Hospitality Way, Rancho Mirage, CA, 92270.</u>	Lessor - Name and Address: SunPower Capital, LLC c/o SunPower Corporation 10801 N. MoPac Expressway Building 3, 5th Floor Austin, TX 78759 USA Tel. (888) 249-8550
Date of Lease: 1/21/2014	
Although this Lease is effective if and when signed by all parties, the actual leasing of the System under this Lease will begin on the date described in this Lease as the "Lease Term Start Date."	

1. Lease of the System: This document is a lease agreement between the person(s) identified as "Lessee(s)" above ("you") and the entity identified as "Lessor" above ("Lessor" or "we") for the solar power generating system described under "Description of Leased Property" below (the "System"). The references to "Lessor" in this Lease include any person or entity to whom Lessor may assign or transfer its rights, title and interest in and to this Lease (and which person or entity will therefore become "Lessor" for the purposes of this Lease after any such assignment or transfer). By signing this document (which is referred to here as this "Lease"), you agree to lease from us, and we agree to lease to you, the System, described under "Description of Leased Property" below, on the terms and subject to the conditions contained in this Lease. The disclosures made in this Lease are made on behalf of the Lessor and on behalf of the dealer and installer of the System who helped arrange this Lease and is identified on the last page of this Lease immediately after your and our signatures (that dealer and installer is referred to in this Lease as the "Dealer/Installer"). The Dealer/Installer is the person or entity that will install the System, but the Dealer/Installer is not a party to this Lease. This Lease is 30 pages long and has eleven exhibits or attachments, which are also a part of this Lease. Please read this Lease and related documents carefully; once executed by all parties, this Lease will be a legally binding agreement between you and us (subject to Sections 27 and 28). Please also read carefully the other documents that will be provided to you by the Dealer/Installer; they will contain important information about the System and its operation, maintenance and warranty service.

Description of the Leased Property:

- **The property leased under this Lease is the "System," which is residential photovoltaic equipment consisting of:**
Solar modules provided by SunPower Corporation: (module model and quantity): SPR-327NE-WHT-D SunPower (28)
- Maximum Rated Capacity of System: 9.16 kW-DC
- Inverter (brand and model number): Sunpower- SUNNY BOY 8000US-12 - 277v (SPR-8001m)(1)
- Racking (brand and model number(s)): Solar Mount
- SunPower Monitoring system (model number): SunPower Production Monitoring Kit
- Additional Equipment: *(Provide description and quantity of additional equipment leased):*

Principal Terms of the Lease:

(a) **Term of Lease:** We will lease you the System for a period of approximately 20 years (240 full calendar months plus the time period between the Lease Term Start Date (as defined herein) and the first day of the month following the Lease Term Start Date) beginning from the date the System is placed into operation, as set forth in the written commissioning report from the Dealer/Installer, as may be amended by the Lessor, or otherwise documented by the utility, Dealer/Installer, or Lessor (or if such document is not available, the date upon which interconnection is complete and all approvals needed to operate the System are in place) (such date is referred herein as the "Lease Term Start Date" and the period is referred to as the "Lease Term"). The Lessor will advise you of your Lease Term Start Date and schedule for Monthly Payments (as further described below).

(b) **Monthly Payments:** Your initial Monthly Payment of \$263.09 is due on the first day of the month after the first full month following the Lease Term Start Date. The remaining Monthly Payments are shown in Exhibit A attached to this Lease. Total Monthly Payments will be \$63140.40 over the Lease Term. You have the option to prepay a portion of the rent due pursuant to this Lease, which will result in a larger first Monthly Payment, with the remaining Monthly Payments adjusted lower to reflect this partial prepayment. Each Monthly Payment is due on the first day of a month. If you choose to pre-authorize automatic ACH payments from

a checking account to Lessor, there will be a discount of \$7.50 per month on your Monthly Payment. You may also be charged state and/or local sales or use tax on a monthly basis, as applicable.

You have the option to prepay all of the rent due pursuant to this Lease (the "Full Prepayment Amount"). The Full Prepayment Amount you have elected to pay is \$0.00. This amount is due on the same day as the first Monthly Payment as described above. The remaining Monthly Payments will be set to \$0 if you prepay all of the rent due.

(c) **Purchase Option at End of Lease Term and One-Time Early Buyout Option:** As described in and subject to the provisions of Section 8 below, you have an option to purchase the System at the scheduled end of the Lease Term, and a one-time option to purchase the System on 7/1/2020 (the "Early Buyout Option" or "EBO"). The purchase price for the Early Buyout Option and purchase option price at the scheduled end of the Lease Term will be an amount as set forth in Section 8. Any such purchase shall be on an AS-IS, WHERE-IS basis.

(d) **Solar Incentive Amount:** We anticipate your lease of the System will produce a Solar Rebate of \$0.00 ("Solar Incentive Amount"), which will be assigned by you to the Lessor as the Solar Incentive Rental. Please see Section 3 below for more information.

(e) **Other Important Terms:** See this Lease and your other Lease documents for additional information on early termination and maintenance responsibilities, warranties, late and default charges, insurance and prohibition on assignment without Lessor's consent.

2. Installation: Lessor will arrange for the design, permitting, construction, installation, testing and activation of the System by the Dealer/Installer on your residential premises, referred to as your "Premises" or your "Home." You represent and warrant to us that (a) you are the owner of the Premises (that is, owner of so-called fee title, and not a tenant), (b) you occupy the Premises and (c) any other owners of the Premises have acknowledged this Lease by execution hereof. The Dealer/Installer has inspected or will inspect the Premises to determine that the Premises are suitable for the System and the System installation is feasible. The Dealer/Installer may determine that certain conditions at the Premises should be corrected before the installation may be undertaken. When the Dealer/Installer is satisfied that the installation and operation of the System at the Premises is feasible and any necessary zoning, land use or building permits are received, the Dealer/Installer will begin the installation of the System. If it is deemed that the conditions of the Premises are not suitable or the permits are not received, the Dealer/Installer will not have the obligation to install the System and we will have no obligation to lease it to you, and we may terminate this Lease without any obligation or liability on our part. Shortly after the Lease Term Start Date, the Dealer/Installer (together with the local utility, if necessary) will connect the System to the grid, test the operation of the System and train you in the use of the System. The Dealer/Installer may perform such services by itself or through a competent subcontractor hired by the Dealer/Installer, and approved by us. Lessor assigns to you the roof warranty described below and other applicable warranties provided by Dealer/Installer that relate to the Premises and other than as expressly set forth in this Lease Agreement and its Exhibits Lessor makes no representation or warranty regarding the warranties provided by Dealer/Installer. If the installation of the System is never completed for any reason, within a period of six (6) months after the date of this Lease, we will also have no obligation to lease it to you and you will have no obligation to lease it from us. IF THE SYSTEM AS INSTALLED DIFFERS FROM THE "DESCRIPTION OF THE LEASED PROPERTY" ABOVE BUT INCLUDES SUBSTANTIALLY EQUIVALENT OR BETTER EQUIPMENT WITH EQUAL TO OR GREATER OUTPUT, YOU WILL NOT HAVE THE RIGHT TO REJECT OR TERMINATE THIS LEASE.

Lessor hereby assigns a warranty provided by the Dealer/Installer whereby the Dealer/Installer warrants that, if in the course of the installation work, Dealer/Installer is required to penetrate the roof of the Premises and thereby causes damage to areas of the roof that are within a three (3) inch radius of roof penetrations, Dealer/Installer will repair such damage for your benefit, at any time during the period from the date Dealer/Installer begins installation of the System at the Premises through the longer of (i) one (1) year following the Lease Term Start Date and (ii) the length of any existing warranty on the roof of the Premises up to but not exceeding five (5) years.

3. Solar Incentive Amount and Solar Rebate: Depending on the state in which your System is located you may be eligible for certain state rebates. If applicable, you will be required to pay to us as an additional rental payment an amount equal to the Solar Incentive Amount, which is the anticipated amount, as determined by the Dealer/Installer, of the rebate to which you are entitled under the applicable incentive program (or a successor of any such program) administered by your local utility (or may in the future be administered by an agency of your state) (the "Solar Rebate"). To secure your obligation to pay this amount you will irrevocably assign to the Lessor your rights to receive such Solar Rebate ("Solar Incentive Rental"). You agree to assist the Dealer/Installer in the process of applying for and obtaining the Solar Rebate, which in some States may include the assignment of renewable energy credits in exchange for such Solar Rebate. In connection with the application for the Solar Rebate, you agree that you will instruct the local utility (or successor administrator) to send the check for the Solar Rebate (or otherwise remit payment of the rebate) to us, and to no other party, in satisfaction of the Solar Incentive Rental, to us at the following address:

SunPower Capital, LLC
10801 N. MoPac Expressway
Building 3, 5th Floor
Austin, TX 78759 USA

If the actual amount of the Solar Rebate paid by the administrator is less than the Solar Incentive Amount due to any cause other than one that you control, you will not be required to pay the amount of the shortfall. If, in spite of any instructions to make such payments directly to us, the administrator of the Solar Rebate program makes a payment of the Solar Rebate, or the Dealer/Installer makes a payment of the shortfall, directly to you, you agree to forward to us any such payment promptly after you receive it. THE VALUE OF THE REBATE (IN THE CASE OF CALIFORNIA, AS ESTABLISHED BY CALIFORNIA SENATE BILL 1⁽¹⁾) THAT YOU WILL ASSIGN TO US IS \$0. THE ASSIGNMENT OF THIS REBATE TO US WILL DIRECTLY AND EXCLUSIVELY REDUCE THE RENT YOU MUST PAY OVER THE LIFE OF THE LEASE.

4. Official Fees and Taxes: You agree to pay or promptly following demand to reimburse Lessor for any applicable sales or use taxes or similar charges or levies over the term of this Lease (including any extensions) whether paid at Lease signing, included in the Monthly Lease Payments or otherwise assessed. You also agree to pay as invoiced any applicable personal property taxes on the System that your local jurisdiction may levy. Some fees or taxes may come due after the Lease terminates. You agree to pay any such amounts within 10 days of the date of an invoice for such amount. You will be responsible for any fines or penalties if you fail to pay the invoice when due. The Lessor has no responsibility to you for any increased real property taxes you may be subject to as a result of the installation of the System.

5. Lease Obligations:

(a) You agree to do each of the following:

- i. keep the panels clean, pursuant to the operating guide for the System provided or to be provided to you by the Dealer/Installer;
- ii. permit the Dealer/Installer to inspect the System for proper operation at a time reasonably convenient to you and the Dealer/Installer;
- iii. notify the Dealer/Installer within 24 hours if you discover that the System is not working properly, notify Lessor if the System is experiencing a permanent or persistent problem and notify both the Dealer/Installer and Lessor immediately if you discover an emergency relating to the System, damage to the System or theft of the System;
- iv. keep trees and, if applicable, bushes and hedges trimmed so that the System receives as much sunlight as it did when it was installed;
- v. use the System primarily for personal, family or household purposes and not permit the energy generated by the System to be used primarily for the purpose of heating a swimming pool;
- vi. if you are notified of any recall of the System or its components, cooperate in the de-installation and return of the System;
- vii. allow us to use photographs or other representations of the System and your Premises in our marketing or promotional materials, or those of our Dealer/Installer; and
- viii. give us at least 15 days' prior notice of your intent to repair or improve the Premises such that we can remove or otherwise protect and secure the System prior to commencement of such repairs or improvements and reinstall the System after the repair or improvements have been completed. The costs associated with such removal and reinstallation will be at your sole expense and the payment of such costs will be due prior to the commencement of such repairs or improvements. You agree that you will continue to make all payments under this Lease while the repairs or improvements are being completed.

(b) You also agree NOT to do any of the following:

- i. remodel or otherwise alter the Premises in a way that would shade any part of the System;
- ii. make any modifications, attachments, improvements, revisions or additions to the System, install any accessory or device on the System, or take any other action that could affect the System's operation or value without our express prior written consent (and, unless otherwise agreed by us in writing, any modifications, attachments, or additions will in any event become part of the System and will be the Lessor's property);
- iii. move the System, or permit anyone else to move the System;
- iv. make any modifications or alterations to the System and not take any other actions or permit to exist any condition or circumstance that would cause the System not to operate as intended at the Premises;
- v. allow a judgment, tax lien, municipal charge or tax levy to be filed against the System; or
- vi. remove any markings or identification tags on the System.

6. Insurance; Risk of Damage and Loss: Property insurance covering loss of or damage to the System for the term of this Lease is provided by Lessor and you will not be responsible for insuring the System. You agree to carry homeowner's insurance that covers all damage to your Premises. You are responsible for contacting your insurance carrier regarding the installation of the System and procuring any additional homeowner's insurance required to cover your Premises following installation.

Lessor shall bear the risk of loss, damage, theft, destruction or similar occurrence of any part or all of the System during the time the System is either installed on your Premises or is being installed on or removed from your Premises, except in the event that you damage or destroy the System intentionally or through your negligence, in which case you will be held responsible for the cost of such damage or loss to the System. No incidence of damage or loss will excuse you of your obligations under this Lease, including during the period of time when the System is being repaired or replaced by us.

In the event that we remove the System from your Premises for any reason as permitted or contemplated hereunder, other than returning the roof area within three inches of the mounting penetrations to a waterproof condition, we will not have the obligation to return the roof or any other part of the Premises where the System is or was located or that is or was related to the System's operation to the condition in which they were prior to the installation of the System or to any other particular condition.

7. Payment Obligations; Late Payments; Returned Payment Items: You agree to make all payments required to be made under this Lease timely and in full. You will pay a late payment fee equal to the lesser of \$10 or 5% of the unpaid portion of any payment that is not received by Lessor within 10 days after it is due. The monthly payments provided for under the heading "Monthly Payments" in Section 1 above 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 DEDUCTION, ABATEMENT, DEFENSE, COUNTERCLAIM, SETOFF, RECOUPMENT OR REDUCTION FOR ANY REASON WHATSOEVER. ALL AMOUNTS PAYABLE BY YOU UNDER THIS LEASE ARE AND SHALL BE PAYABLE IN ALL EVENTS, INCLUDING BY YOUR HEIRS AND ESTATE AND, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LEASE, YOU 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.

You will pay us a fee of \$15 for any payment that is returned for nonpayment or is not honored.

8. Purchase Options: If you are not in default of this Lease, you will have a one-time Early Buy-Out Option ("EBO"). You may exercise the EBO on the date specified in paragraph (c) under "Principal Terms and Conditions" in Section 1 of this Lease. The purchase option price under the EBO shall be an amount equal to the higher of (a) the System's "Fair Market Value" which shall be the estimated value for the System in-place on the EBO date as determined by the Lessor after consultation with an independent appraisal firm, together with any amounts (including Monthly Lease Payments) then due Lessor under the Lease but unpaid, and (b) the Remaining Value Amount as shown in Exhibit B for the year of such early termination. For the "Fair Market Value", the appraisal firm will, on a desktop basis, assume the System will be exchanged between a willing and informed buyer and a willing and informed seller and be subject to this Lease, taking into account current and projected market conditions. Alternatively, you may obtain, at your option and expense, a professional appraisal by an independent third party (agreed to by the Lessor and Lessee) for the System's "Fair Market Value" which shall be the estimated value for the System in-place on the EBO date or End of Lease Term date, as applicable, that assumes the System, will be exchanged between a willing and informed buyer and a willing and informed seller and be subject to this Lease, taking into account current and projected market conditions. You will also have an option to purchase the System at the scheduled end of the Lease Term as described in paragraph (c) under "Principal Terms of this Lease" in Section 1 of this Lease. The purchase option price at the scheduled end of the Lease Term shall be for the "Fair Market Value" determined using the same methodology as the EBO. We will give you notice 120 days before the date of your EBO, as applicable, and the scheduled end of the Lease Term. In order to exercise either purchase option, you must give us notice in writing no later than 60 days before the scheduled end of Lease Term or the date of the EBO, as applicable. On the closing date for the purchase of the System pursuant to the exercise of the option we will transfer and convey the System to you on AS-IS, WHERE-IS basis, and you agree to execute customary documentation to evidence such transfer and conveyance. You will be responsible for payment of any sales taxes or similar other taxes, fees or charges imposed on you or Lessor by governmental authorities in connection with such a sale and purchase. If possible, Lessor will assign to you any product and/or workmanship warranties still in effect for the System.

9. System is Personal Property: The parties intend that the System be and remain at all times personal property and not fixtures (or real property) regardless of whether it is attached to real property. You agree, at our request, to notify any mortgagee or holder of a deed of trust on the Premises of the installation and existence of the System, that it is leased from Lessor, and that the System constitutes personal property and not fixtures (or real property).

10. UCC and Real Estate Filings: If the System is located in California, you agree that Lessor may record a Notice of an Independent Solar Energy Producer Contract with the county recorder's office, pursuant to Section 2869 of the California Public Utilities Code. If the System is located in any other State, you consent to any regulatory or governmental filing that is consistent with this Lease and applicable law, including a formal notice of this Lease which, among other things, provides record notice that the System is not a fixture to the Premises. You hereby authorize Lessor and its agent(s) to file in the public records, including real estate records, such other instruments as may be appropriate or desirable (such as precautionary UCC financing statement(s) and fixture filing(s)) to put others on notice of Lessor's interests in the System. You also agree, if Lessor so requests, to execute and permit Lessor or its agents to record in the applicable real estate records an easement to the effect that Lessor has the right to access the Property for the purposes described in Section 23 below and to use reasonable best efforts to obtain the consent of any mortgagee(s) of the Property to this Lease or the disclaimer by such mortgagee(s) to any interest in the System.

11. Default and Lessor Remedies:

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

- (a) You fail to make a payment within 30 days after its due date;
- (b) You fail to perform an obligation or requirement that you agreed to perform (or do something that you agreed you would not do) under this Lease and do not correct such a failure within 15 days after we notify you of that failure or you otherwise learn of the failure;

- (c) You make an untrue or misleading material statement or material misrepresentation in an application you gave or give Dealer/Installer or Lessor, in this Lease or in any other certificate or document you gave or give Lessor in connection with this Lease;
- (d) You allow another to forge your signature on a material document you gave or give Lessor or Dealer/Installer;
- (e) You become insolvent and cannot pay your debts as they become due; you become the subject of a petition in bankruptcy or a similar proceeding for debt relief or adjustment; you allow other creditors by legal process to take your money or property; or you make an assignment for the benefit of creditors;
- (f) If under Section 16 (Sale or Transfer of Lessee's Premises) you assign, transfer, or encumber this Lease or any part of the System without Lessor's prior written consent, or you transfer the Premises and either (i) the new owner(s) of the Premises do not assume the Lease with Lessor's consent, or (ii) if the new owner(s) (or proposed new owner(s)) of your Home are unable or unwilling to assume this Lease, and you do not exercise your right to terminate the Lease and purchase the System; or
- (g) The System is disabled or disconnected and you do not notify us of such event after you learn of such event, or the System or the Premises are destroyed, or you expose the System to seizure, confiscation, forfeiture or other involuntary transfer.

If you are in default, Lessor may, without prior notice to you unless required by state law: (a) terminate this Lease and take possession of the System; (b) take any reasonable action to correct your default or to prevent Lessor's loss (such as, for example, purchasing insurance that you agreed not to provide or paying the amount required obtain the release of a judgment, charge, lien or levy on the System that you agreed not to permit) and any amount we pay will be added to the amount you owe Lessor and will be immediately due; (c) require you, at your expense, to return the System or make it available to Lessor in a reasonable manner; (d) proceed, by appropriate legal 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 the Early Termination Liability (as defined in Section 12 below); (g) recover from you the full amount of Lessor's damages permitted to be recovered in connection with a breach or a termination of a lease under law (including any costs and expenses we incur relating to the default or the System's return resulting from early termination); (h) turn off or otherwise disable the System, (i) to the extent permissible by local utility and State law, Lessor can sell output from the System and receive payment for electricity delivered to the local utility and you hereby pledge any such payments from the utility to us, and (j) use any other right or remedy available to Lessor under law or under this Lease. Lessor's remedies in the event of your being in default are cumulative, and not exclusive, that is, by choosing one or more of these remedies, we do not give up Lessor's right to use, at the same time or separately another remedy (provided that we may not recover duplicative or multiple damages in contravention of applicable law). If we choose not to use a remedy in the case of a default, we do not give up our right to use that same remedy or other remedies in case of a future default. If state law gives you a right to cure your default, and you do so, you may resume making payments as though no default had taken place.

12. Early Termination Liability: In the event this Lease is terminated prior to its scheduled ending date due to a default as described in Section 11, you will pay the Lessor the Early Termination Liability. The "Early Termination Liability" is a sum equal to (i) the Monthly Lease Payments already due and unpaid; plus (ii) the Remaining Value Amount as of the date of termination as shown in Exhibit B; plus (iii) any accrued and unpaid late charges; plus (iv) any dishonored payment item fees; plus (v) in the case of a termination whereby the System is removed from your Premises, any amounts Lessor expends to dismantle, remove and recover the System; plus (vi) any other amounts then due Lessor under the Lease; less (vii) the amount Lessor receives (less a reasonable fee payable to the Lessor for its services in selling the System) upon disposition of the System (not to exceed the amount of the Early Termination Liability), or an amount to which Lessor and you otherwise agree. You may obtain, at your expense, a professional appraisal by an independent third party (agreed to by the Lessor and Lessee) of the value that could be realized through sale of the System at wholesale after the System has been removed from your Premises which shall be final and binding on the parties. As described above in this Section 12, any proceeds Lessor receives upon actual disposition of the System will reduce the Early Termination Liability payable by you. If this Lease is referred by Lessor for collection to an attorney who is not Lessor's salaried employee, except where prohibited by law, Lessor may require that you reimburse Lessor its reasonable attorneys' fees and court costs.

13. Credit Reporting: You authorize Lessor and its agent(s) and assignees at any time to investigate and reinvestigate any information provided on your credit application and to verify your current credit standing, and, in the course of doing so, request and receive credit reports from a credit reporting agency. If you default under this Lease, you authorize Lessor and any party to whom Lessor may assign this Lease, and their respective agents, to make credit inquiries about you. **Lessor may report information about your account to credit reporting agencies. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.**

14. Ownership; Tax and Environmental Benefits: This is a lease agreement. Lessor owns the System. You will have no right to sell, give away, transfer, pledge, remove, relocate, alter or tamper with the System at any time. You agree that this Lease is a true lease for tax and other purposes and that: (1) Lessor will receive the benefits of ownership and (2) Lessor is entitled to claim and receive any and all tax, environmental or other credits, grants, subsidies, renewable energy credits, carbon offset credits, rebates or other benefits related to the System, including the Solar Rebate if it has been assigned to us by you to meet your Solar Incentive Rental obligation, as specifically addressed in Section 3 above. For Systems located in Massachusetts, New Jersey, New York, and Pennsylvania, renewable energy credits shall be retained by Lessee. For Systems located in other States, either (a) Lessor will retain the rights to the renewable energy credits related to a System or (b) the renewable energy credits may be assigned by Lessor or Lessee in exchange for the applicable Solar Rebate (as described in Section 3) or other similar benefit. Lessor has not given you any information or advice regarding any possible tax consequences or benefits under this Lease. You agree to cooperate with us to enable

us to claim and obtain any tax or other credits, rebates or benefits from the System (such as signing or filing applications for rebates or other benefits). 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 harm or interfere with our rights with respect to such credits, rebates or other benefits.

15. Lessor's Right to Assign: Lessor may assign, sell or transfer the System and /or this Lease without your consent. In other words, we may, without your consent, transfer certain of our rights and/or obligations to another person or entity. You may, however, continue to make payments under this Lease to the same address and in the same manner as before, until and unless we notify you otherwise.

16. Sale or Transfer of Lessee's Premises: If at any time you intend to sell your Home, you agree to give us written notice of the proposed sale of your Home at least one month before the anticipated date of the closing of such sale. You agree to let us know in your notice who the proposed buyer of your Home is and whether this proposed buyer would like to assume your obligations under this Lease or whether you will terminate the Lease and purchase the System through the closing of the sale of your Home.

If the proposed buyer would like to assume your obligations under this Lease, the notice you give to us must also provide the buyer's consent to obtain a credit report and sufficient contact information for the buyer so that we can contact them to initiate a credit check process. You understand and you agree to inform any proposed buyer of your Home that we have the right to approve or disapprove the assumption of this Lease to any buyer, in our discretion. If we approve the buyer's assumption of this Lease, we will require you and the buyer to sign a legal document transferring your obligations under this Lease and providing for the buyer's assumption of those obligations (the "Lease Assignment"). We will send a Lease Assignment and escrow instructions (which will require payment of any amounts due under this Lease and any required deposit by the buyer) into the escrow for the proposed sale of your Home, so that once the sale of your Home closes in accordance with our escrow instructions you will be released from your obligations under this Lease, and after such release the person (or persons) who bought your Home will become the "Lessee" under and for the purposes of this Lease. Unless we release you from your obligations in writing, you will still be responsible for performing under this Lease. Lessee and proposed buyer shall comply with all applicable governmental notice and filing requirements.

Alternatively, if you are current in your Monthly Lease Payments, and are not otherwise in default of your obligations under this Lease, you may terminate the Lease before the scheduled end of the Lease Term by purchasing the System in connection with your sale of the Home. Your right to purchase the System is on an AS-IS, WHERE-IS basis, for a purchase price equal to the Remaining Value Amount as shown in Exhibit B for the year of such early termination (note that you will be responsible for payment of any sales taxes or similar other taxes, fees or charges imposed on you or Lessor by governmental authorities in connection with such a sale and purchase). If you decide to terminate this Lease in connection with the sale of your Home, after you notify us we will send escrow instructions to facilitate your purchase of the System. The escrow instructions will specify the amounts due under the Lease and for purchase of the System, and will include documents necessary to remove any recorded notice or easement affecting your Premises relating to the System and this Lease. If possible, Lessor will assign to you any product and/or workmanship warranties still in effect for the System.

EXCEPT AS SET FORTH IN THIS SECTION 16, YOU MAY NOT SUBLEASE, ASSIGN, SELL OR OTHERWISE TRANSFER OR GRANT A SECURITY INTEREST IN YOUR RIGHTS IN AND TO THE SYSTEM OR OBLIGATIONS UNDER THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT.

17. Scheduled End of the Lease Term: When this Lease reaches its scheduled end of the Lease Term, you may: (1) purchase the System as described in Section 1 of this Lease under the heading "Purchase Option at End of Lease Term and One-Time Early Buyout Option" and Section 8 of this Lease under the heading "Purchase Options"; (2) renew this Lease if at least 60 days but not more than 180 days before the scheduled end of the Lease Term you send us a written request that we renew this Lease for an additional period of time on then prevailing market terms (and taking into account the condition of the System); or (3) upon notice to us, request that we remove the System. If you request that we remove the System, we will do so within ten (10) business days of your request. However, we may choose not to remove the System and if we notify you in writing that we have made such a choice, you will be considered to be the new owner of the System and the System will automatically be conveyed to you AS IS, WHERE IS (and you may be responsible for payment of sales taxes or other taxes, fees or charges, if any, imposed by governmental authorities in connection such transfer of the System). In addition to the foregoing, if you do not purchase the System or renew this Lease as provided in clauses (1) and (2) above, respectively, and do not request that we remove the System, this Lease shall, unless we notify you otherwise (which we will have the right to do in our sole discretion) continue on a month-to-month basis, at a monthly rent equal to the last applicable Monthly Payment during the regular Lease Term (or, in the event rent was paid through a Full Prepayment Amount, the monthly rent will be in an amount provided by Lessor). You understand, however, that we may terminate any such month-to-month rental at any time in our sole discretion and notify you that we will remove the System within ten (10) business days such notice to you. You will not in the case of such month-to-month rental have the right to purchase the System or renew this Lease without our express written consent, which we may withhold for any reason.

18. Scheduled End of the Lease Term Liability: At the Scheduled End of Lease Term, if you request that we remove the System as provided in Section 17, you agree to pay us the sum of: (a) any Monthly Lease Payments already due and unpaid, and any other amounts arising from your failure to keep your promises under this Lease; plus (b) any official fees and taxes imposed in connection with Lease termination.

19. Entire Agreement; Modifications in Writing; Survival: This Lease contains Lessor's and Lessee's entire agreement regarding the lease of the System; and there are no other agreements between the parties regarding this Lease, either written or oral. Any amendment or other change to this Lease must be in writing and signed by both parties. Any delay or failure of a party to enforce the obligations of the other party under this Lease shall not constitute a waiver of such obligations or a party's right to enforce the same and shall not affect the validity of this Lease. If there is more than one of you, Lessor may release one of you without releasing the other. The terms of this Lease shall be binding on you and your heirs and personal representatives. The fact that any part of this Lease cannot be enforced will not affect any other part. The provisions of this Lease regarding payment obligations, remedies, indemnities, governing law, arbitration, as well as all provisions that specifically provide for survival or for additional time periods, will survive the termination or expiration of this Lease. In the event an exhibit to this Lease specific to a state, city or county conflicts with the terms of this Lease, that exhibit shall govern with respect to Leases in that applicable state, city or county.

20. Governing Law: This Lease is governed by the law of the state where your Home is located, and, to the extent applicable, federal law.

21. Arbitration: The parties to this Lease agree that, at the request of either party, any dispute, claim or disagreement related to this Lease to which they are parties shall be resolved (together with any counterclaims) by final and binding arbitration, and not by court action. A request to arbitrate a dispute may be made at any time, even if a court action has been filed, so long as no final judgment has been granted. Any arbitration under this Arbitration Clause will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state law concerning arbitration. You may choose one of the following arbitration organizations and its applicable rules: The American Arbitration Association, 335 Madison Ave., Floor 10, New York, NY 10017-4605 (www.adr.org), JAMS, 1920 Main St., Ste. 300, Irvine, CA 92614 (www.jamsadr.com), or any other organization that you may choose subject to our approval. You may get a copy of the rules of these organizations by contacting the arbitration organization or visiting its website. **Any claim or dispute is to be arbitrated by a single arbitrator on an individual basis and not as a class action. You expressly waive any right you may have to litigate or arbitrate a class action.** The place of arbitration shall be the federal judicial district in which you reside (for example, if you live in San Francisco, within the district area of the U.S. District Court for the Northern District of California). Each of the parties to this Lease shall bear its own costs and expenses, including expert witness fees and attorneys' fees, with respect to any arbitration. However, we will advance your filing, administration, service or case management fee, and your arbitrator or hearing fee, all up to a maximum of \$1,500. Subject to the limitations described in Section 25, the arbitrator shall have the authority to award any legal or equitable remedy or relief that a court could order or grant, including an order that you reimburse us for the fees we advance if we are the successful party or an order requiring us to pay some or all of your costs and expenses. The arbitrator may also order that we pay any fees or charges necessary to assure that this Section 21 will be enforceable. 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. Neither party waives the right to arbitrate by using self-help remedies or filing suit. Because you and we have agreed that upon the request of either party we will 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 APPLICABLE ARBITRATION RULES. OTHER RIGHTS THAT YOU OR WE WOULD HAVE IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.** The arbitrator's award will be final and binding, except that if the award for a party is \$0, or against a party is in excess of \$100,000, or includes an award of injunctive relief against a party, that party may request a new arbitration under the rules of the arbitration organization by a three-arbitrator panel. The appealing party requesting new arbitration will be responsible for the filing fee and other arbitration costs subject to a final determination by the arbitrators of a fair apportionment of costs. Any court having jurisdiction may enter judgment on the arbitrator's award. If any portion of this Section 21 is determined to be unenforceable, other than the class action waiver clause, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or reformed so as to make them enforceable. However, if the class action waiver provision is deemed to be unenforceable, then this entire Section 21 shall be unenforceable. This Section 21 will survive the consummation and performance of this Lease. You may elect to opt out of this Arbitration Clause. To do so, you (all persons signing the Lease as Lessees) must mail your written notice of your opt-out to us at the address provided on the first page, postmarked no later than 10 days from the date of this Lease.

22. Indemnification: To the maximum extent permitted by law, you agree to indemnify, defend and hold harmless Lessor and its successors and assignees, and its and their employees, officers, directors and agents, from any and all losses, liabilities, damages, claims, actions, costs, expenses (including reasonable attorneys' fees and expenses), penalties, demands and liens asserted by or resulting from claims, actions, suits or demands by any third party, of any kind or nature arising out of, connected with, relating to or resulting from your failure to comply with any of the terms or conditions of this Lease or your use, possession or operation of the System; provided, that (1) nothing in this Section 22 shall require you to indemnify us or any other person referred to above in this Section 22 for our own or its own negligence or willful misconduct and (2) nothing in this Section 22 shall require you to indemnify Dealer/Installer or any manufacturer of the equipment comprising the System except in connection with your negligence or willful misconduct. The provisions of this Section 22 shall survive termination or expiration of this Lease.

23. Access Rights: You hereby grant to Lessor and its successors and assigns, and its and their agents, employees and contractors, the right to enter and access your Premises and the property on which the Premises are located, in a reasonable manner and upon reasonable notice to you, for the purposes of (a) owning, operating, maintaining, inspecting, repairing, accessing, disabling, 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 Lessor's rights under this Lease or under law as to the System; and (c) installing, using and maintaining

electric lines and inverters and meters, necessary to interconnect the System to your electric system at the Premises or to the utility's electric distribution system. This access right shall survive the termination or expiration of this Lease for such period of time (not less than 90 days) as may be reasonably necessary to enable us or our designated agent or contractor to remove the System in compliance with this Lease. You agree not to impair or interfere and not to permit other persons to impair or interfere with such access rights.

24. Notices; Contact: All notices, requests, statements and other communications under this Lease must be made in writing (unless otherwise specified in another section of this Lease as to a particular notice or communication) and will be considered to have been properly given and received if delivered in person or sent by facsimile (with confirmation of transmission), reliable overnight courier, or sent by registered or certified mail, postage prepaid to the address of the applicable party specified on the first page of this Lease. Notice by confirmed facsimile or hand delivery will be effective at the close of business on the day actually received, if received during a business day, and otherwise shall be effective at the close of the next business day. Notice by overnight United States mail or courier shall be effective on the second business day after it was sent. A party may change its addresses by providing notice of same in accordance with this Section 24. Notices may also be given by e-mail, provided that any such e-mail notice is confirmed in a writing delivered as provided above in this Section 24 not later than the immediately following business day.

In connection with the administration of this Lease, Lessor may from time to time engage a third party service provider (a "lease administrator"). If Lessor notifies you that it has engaged a lease administrator with respect to this Lease, then after such notice (and until any future notice to the contrary) you must also furnish all notices, requests, statements and other communications in connection with this Lease to the lease administrator, at the address and/or facsimile number (and, if applicable, e-mail address) specified to you by Lessor.

You agree that we may use any telephone number you provide us, even if that number is for a cellular telephone and/or our using the number results in charges to you. We will not charge you for calls we make to you, your service provider may charge you through your plan.

25. Limitation of Liability. TO THE MAXIMUM EXTENT PERMITTED BY LAW: (A) LESSOR'S LIABILITY TO LESSEE UNDER THIS LEASE SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY AND WILL IN NO EVENT EXCEED ONE MILLION DOLLARS; AND (B) IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR INDIRECT DAMAGES. EXCEPT AS EXPRESSLY PROVIDED HEREIN OR THE PERFORMANCE GUARANTEE PROVIDED BY SUNPOWER CORPORATION, SYSTEMS, LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, REGARDING ITS OBLIGATIONS OR THE SYSTEM. THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL WARRANTIES ARE DISCLAIMED.

26. Further Assurances; Rules of Construction. You agree to cooperate in completing or executing documents or taking other actions necessary to effect the purposes of this Lease, including the preservation of Lessor's interests in the System. In this Agreement: (i) whenever the singular number is used, the same shall include the plural and the neuter, masculine and feminine genders shall include each other, as the context may require; (ii) the word "including" is construed in its broadest sense to mean "including without limitation" or "including, but not limited to"; (iii) references to agreements and other legal instruments include all subsequent amendments thereto, and changes to, and restatements or replacements of, such agreements or instruments; (iv) the words "shall" and "will" are used interchangeably and have the same meaning; and (v) the word "or" is not necessarily exclusive.

ACKNOWLEDGMENT OF ARBITRATION

I understand that this Lease contains an agreement to arbitrate. After signing this Lease, I understand that I will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the arbitration provision, unless it involves a question of constitutional or civil rights. Instead, I agree to submit any such dispute to an impartial arbitrator (unless I mail you written notice of my election to opt out of the arbitration provision by following the opt-out procedure described in the last sentence of Section 21).

27. Lessor Approval. This Lease, and the pricing and terms contained herein, remain a valid offer for 15 days following Lessee's receipt of this Lease, subject to Lessor's completion of credit review and Lessor's decision to accept or reject this Lease. Failure of Lessee to execute and return this Lease within such 15 days shall result in the expiration of this Lease offer in full.

28. Lessee Right to Cancel. YOU, THE LESSEE(S), MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE SEVENTH CALENDAR DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

Lessee(s) signature(s): You (Lessee) represent that you have read this Lease (including the exhibits attached to this Lease) in its entirety and received a complete copy of this Lease, with all information completely filled, before signing below.

Lessee: X

Lessee: X

Name: John Kloes
(print)

Name: _____
(print)

Date: _____

Date: _____

Any Additional Property Owners: You acknowledge that you have an ownership interest in the real property which is subject to this Lease, and hereby agree to subjecting the property to the rights granted the Lessor in this Lease.

X _____

X _____

Name: _____

Name: _____

Date: _____

Date: _____

Lessor Accepts: Lessor accepts this Lease.

SunPower Capital, LLC

By: X

Name:
Title: Authorized Signatory

Date:

NOTICE TO THE LESSEE: This is a lease. You are not buying the System. Do not sign this lease before you read it. You are entitled to a completed copy of this lease when you sign it.

Instructions: Before either party signs, first deliver the originals and copies of the completed (1) Federal Consumer Lease Disclosures and (2) Lease Disclosures to the Lessee(s). Lessee(s) read and keep the originals. Lessee(s) sign the copies and return(s) them.

Give the original and copy of the completed Consumer Lease to the Lessee(s) to read and sign. Lessee(s) sign the original Consumer Lease and return(s) it to Lessor at:

SunPower Capital, LLC
10801 N. MoPac Expressway, Building 3, 5th Floor, Austin, TX 78759 USA

Lessee(s) keep(s) the copy of the Consumer Lease. A copy of the original Consumer Lease signed by Lessee(s), if approved, will be countersigned by Lessor and returned to Lessee(s).

The Dealer/Installer with respect to this Lease is:

Potere Solar
69930 HWY 111 STE 100, Rancho Mirage, CA 92270
CA 941529 B

COLORADO AND VERMONT SPECIFIC DISCLOSURE:

NOTICE TO COSIGNER

You are being asked to guarantee this debt. Think carefully before you do. Your signature on this Lease means you are equally liable for repayment of this Lease. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of *your* credit record.

This notice is not the contract that makes you liable for the debt.

Exhibit A

Lease Payments

One rental payment equal to the Solar Incentive Amount due at the time the administrator of the Solar Initiative Program releases the Solar Rebate (if applicable, see Section 3 above)	<u>\$0.00</u>
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	Base Payment	Estimated Tax on Payment	Estimated Payment inclusive of Tax
First Monthly Payment (see Section 1 above), OR	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$255.59</u>
One Full Prepayment Amount due on the same day as the first Monthly Payment (see Section 1 above)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

Monthly Lease Payments	Base Monthly Payment	Estimated Tax on Monthly Payment	Estimated Monthly Payment inclusive of Tax (without automatic ACH Payment)	Estimated Monthly Payment inclusive of Tax (with automatic ACH Payment)
<u>Year 1:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 2:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 3:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 4:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 5:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 6:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 7:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 8:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 9:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 10:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 11:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 12:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 13:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 14:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 15:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 16:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 17:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 18:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 19:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>
<u>Year 20:12 Monthly Lease Payments</u>	<u>\$255.59</u>	<u>\$0.00</u>	<u>\$263.09</u>	<u>\$255.59</u>

Exhibit B

Remaining Value Amount Table

Period*:	Remaining Value Amount
<u>Year 1</u>	<u>\$63454.83</u>
<u>Year 2</u>	<u>\$58884.26</u>
<u>Year 3</u>	<u>\$54164.56</u>
<u>Year 4</u>	<u>\$49196.58</u>
<u>Year 5</u>	<u>\$43995.59</u>
<u>Year 6</u>	<u>\$38589.29</u>
<u>Year 7</u>	<u>\$37727.54</u>
<u>Year 8</u>	<u>\$36803.85</u>
<u>Year 9</u>	<u>\$35833.05</u>
<u>Year 10</u>	<u>\$34812.61</u>
<u>Year 11</u>	<u>\$33739.85</u>
<u>Year 12</u>	<u>\$32611.94</u>
<u>Year 13</u>	<u>\$31425.88</u>
<u>Year 14</u>	<u>\$30178.52</u>
<u>Year 15</u>	<u>\$28866.54</u>
<u>Year 16</u>	<u>\$27486.40</u>
<u>Year 17</u>	<u>\$26034.40</u>
<u>Year 18</u>	<u>\$24506.62</u>
<u>Year 19</u>	<u>\$22898.90</u>
<u>Year 20</u>	<u>\$21206.88</u>

*The periods are annual periods that commence on the Lease Term Start Date and each anniversary thereafter.

Exhibit C

FORM OF CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance is related to the Lease Agreement (the "Lease") entered into on 1/21/2014
John Kloes and _____ (collectively, "Lessee")
and SunPower Capital, LLC ("Lessor").

Capitalized terms used in this Certificate of Acceptance have the meaning given to them in the Lease.

The undersigned Lessee hereby acknowledges its receipt and acceptance of the System specified in the above referenced Lease on the date of Lessee signature set forth below. Lessee also acknowledges that the System has been mechanically installed is ready to be interconnected to the local utility grid. Lessee hereby accepts the System for the purposes of the Lease.

Lessee's Signature:

Name : John Kloes
(print)

Date:

Lessee's Signature:

Name : _____
(print)

Date:

Acknowledged and Agreed:

Dealer/Installer:

Name:
Title:
Date:

Exhibit D

The following notice applies to States other than New York.

Notice of Cancellation

(Date of Lease)

You may CANCEL this transaction, without any penalty or obligation, within SEVEN CALENDAR 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 TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller 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 the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 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 the seller, or if you agree to return the goods to the seller 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

SunPower Capital, LLC, 10801 N. MoPac Expressway, Building 3, 5th Floor, Austin, TX 78759 USA

NOT LATER THAN MIDNIGHT OF

I hereby cancel this transaction. _____ [Date].

Lessee's Signature:
Please print name: _____

Lessee's Signature:
Please print name: _____

The following notice applies to States other than New York.

Notice of Cancellation

(Date of Lease)

You may CANCEL this transaction, without any penalty or obligation, within SEVEN CALENDAR 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 TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller 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 the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 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 the seller, or if you agree to return the goods to the seller 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

SunPower Capital, LLC, 10801 N. MoPac Expressway, Building 3, 5th Floor, Austin, TX 78759 USA

NOT LATER THAN MIDNIGHT OF

I hereby cancel this transaction. _____ [Date].

Lessee's Signature:
Please print name: _____

Lessee's Signature:
Please print name: _____

The following notice applies to New York residents. In the following notice, SunPower Capital, LLC is the "seller." In the last sentence, Lessee is referred to as "I."

NOTICE OF CANCELLATION

(Date of Lease)

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN SEVEN CALENDAR 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 BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELED.

IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER 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 THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK.

IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN TWENTY 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 THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER 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

SunPower Capital, LLC, 10801 N. MoPac Expressway, Building 3, 5th Floor, Austin, TX 78759 USA

NOT LATER THAN MIDNIGHT OF

I HEREBY CANCEL THIS TRANSACTION. _____ [Date].

Lessee's Signature:
Please print name: _____

Lessee's Signature:
Please print name: _____

The following notice applies to New York residents. In the following notice, SunPower Capital, LLC is the "seller." In the last sentence, Lessee is referred to as "I."

NOTICE OF CANCELLATION

(Date of Lease)

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN SEVEN CALENDAR 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 BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELED.

IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER 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 THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK.

IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN TWENTY 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 THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER 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

SunPower Capital, LLC, 10801 N. MoPac Expressway, Building 3, 5th Floor, Austin, TX 78759 USA

NOT LATER THAN MIDNIGHT OF

I HEREBY CANCEL THIS TRANSACTION. _____ [Date].

Lessee's Signature:
Please print name: _____

Lessee's Signature:
Please print name: _____

Exhibit E

Optional Authorization Agreement for Pre-Authorized Payments

I, John Kloes ("Customer"), intend to enter into a lease agreement with SunPower to finance a solar system on my home. To facilitate the payments associated with this lease ("Lease") between SunPower and me, I hereby authorize SunPower to initiate debit entries to the checking account indicated below. I also authorize the financial institution named below to enter such debits or credits to such account.

Bank Name:

Routing No.:

Account No:

*** Please insert N/A for the Bank Name, Routing No and Account No. if you do NOT wish to use ACH payments. You are required to sign below to acknowledge your decision.

Please attach a copy of a voided check for the above account.

I understand that SunPower will process debit entries to the above referenced account on or after the due date of each monthly payment in an amount equal to my most recent statement, except as expressly agreed to between SunPower and me.

I represent to SunPower that all persons whose signatures are required to withdraw funds from the above referenced account have executed this Authorization Agreement. I also hereby acknowledge that I have retained a copy of this Authorization Agreement for my records.

I hereby acknowledge that SunPower may process debit entries for scheduled Lease rentals or any other sum due and payable to SunPower pursuant to the referenced Lease between SunPower and me. I will receive advance notice of any debit that varies from the regularly scheduled Lease Payment amount. I also acknowledge that SunPower may assign the lease to a third party financing source and that the assignee may then initiate debit entries per this authorization.

Customer hereby acknowledges that this agreement will not be terminated until the Lease is paid in full, or the Customer provides verbal or written notification to cancel this authorization agreement and has allowed SunPower a reasonable amount of time to act upon the request. The termination of the Authorization Agreement does not terminate the fully enforceable Lease or your obligation to make the required Lease payments.

Customer:

Name: John Kloes

Date:

Attach voided copy of check to this section

APPLICABLE TO ARIZONA RESIDENTS ONLY

Exhibit F

Warranty Requirements

The warranty requirements for the installation company will be as follows (this warranty supersedes all other warranties for the time periods stated):

The installation company will provide a full parts and labor warranty for the entire system for two (2) years from date of installation. Full parts and labor warranty includes, but is not limited to, any and all component failure(s), whether it is covered by the original manufacturer or not, and any and all installation-related malfunction(s).

Any manufacturer's warranty(ies) are in addition to, not in lieu of, this installation warranty.

This warranty is not required to cover problems resulting from exposure to harmful materials and chemical, fire, flood, lightning, hurricane, tornado, hailstorm, earthquake, or other acts of God, vandalism, alteration of the system by anyone not authorized by the installation company, or any other cause beyond the control of the installation company.

End of Lease Term

If at the scheduled end of the Lease Term, you fail to select one of the three options provided in Section 17 of the Lease, the Lessor will either remove the System or chose not to remove the System, in either case by giving you written notice in accordance with the terms and conditions of the Lease. If Lessor notifies you that Lessor chooses not to remove the System, you will be considered to be the new owner of the System and the System will automatically be conveyed to you AS IS, WHERE IS, in accordance with the terms and conditions of the Lease. The last three sentences of Section 17 of the Lease regarding the month-to-month continuation of the Lease at Lessor's discretion are not applicable to Arizona residents.

Jurisdiction and Venue

For Arizona residents, Section 21 of the Lease is clarified to require that the place of arbitration shall be the federal judicial district and the federal division in which you reside.

Title to Energy

Section 14 of the Lease is clarified to state that, while Lessor is the owner of the System, title to the energy produced by the System shall vest and continue to be retained by Lessee for the term of the Lease.

APPLICABLE TO MASSACHUSETTS RESIDENTS ONLY

Exhibit G

Assignment of SRECs

You understand and agree that all solar renewable energy credits ("SRECs") generated by the System will be your sole property and that you will have the sole right to receive and sell such SRECs. As the owner of the SRECs, you will be solely responsible for establishing and maintaining an account with the New England power Pool Generation Information System or with a third party aggregator of your choice. In addition, you will have the sole responsibility for reporting, collecting and all other data submissions and record maintenance associated with the SRECs to the Massachusetts Clean Energy Technology Center or to any other third party. For more information about the Massachusetts Renewable Energy Portfolio Standards and the SREC program, please visit www.mass.gov/energy/rps or contact the Massachusetts Department of Energy Resources at DOER.SREC@state.ma.us.

You understand and agree that neither Lessor nor any of its employees, agents or affiliates will at any time be liable or responsible for loss of SRECs or for any fines, penalties or assessments imposed as a result of failure to report or false or inaccurate reporting by you in connection with the generation of electric energy by the System. You agree that if you falsely or inaccurately report the electric generation of the System, you will indemnify Lessor and its employees, agents and affiliates from any fines, penalties or assessments incurred as a result of such false or inaccurate reporting and that you will pay the costs and attorneys fees for Lessor's defending, contenting or protesting any of the foregoing.

[Remainder of Page Intentionally Left Blank]

Land Owner's Consent

PREMISES: _____ [Street Address], _____ [Town/City],
Massachusetts

HOST CUSTOMER OWNER: _____,
a _____ N/A _____ [state of incorporation] corporation

FOR VALUABLE CONSIDERATION, the undersigned (the "Owner"), being the owner of the above-described premises (the "Premises"), hereby agrees as follows:

1. Owner agrees to interpose no objections to the entry by the Massachusetts Clean Energy Technology Center ("MassCEC"), its successors, designees, and assigns, upon said Premises for the purpose of conducting an audit on the solar energy production system located therein, provided that said entry is made during normal business hours with prior written notice to Owner.
2. Owner acknowledges that there are currently no uncured defaults related to the Premises that operate or could reasonably operate to prevent Owner from fully possessing and using the Premises. The Owner agrees to give MassCEC a copy of any notice of default given to the Owner and of any notice terminating the rights of the Owner thereunder. All notices to MassCEC under this Consent shall be made in writing and delivered to MassCEC at the following address:

Massachusetts Clean Energy Technology Center
55 Summer St, 9th Floor
Boston, MA 02110
(617)-315-9355 (phone)
Attn: Roberto Ramirez, Chief Financial Officer (rramirez@MassCEC.com)
With a copy of all legal notices to Eric Macaux, Deputy General Counsel (emacaux@MassCEC.com)

3. Execution of this Consent constitutes a representation by the signatory hereto that such person is authorized to execute the Consent on behalf of Owner. This Consent shall inure to the benefit of the MassCEC, its successors and assigns, and shall be binding upon Owner, its heirs, assigns, representatives, and successors and shall take effect as a sealed instrument.
4. This Consent and all actions arising out of or in connection herewith shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts, without regard to the conflicts of law provisions thereof, or of any other state. This Consent may not be amended or modified except by a written agreement duly executed by the Owner and MassCEC.

SIGNED on behalf of the successors and assigns of the undersigned this _____ day of .

_____ [Owner]

By:
Name:
Title:

APPLICABLE TO LADWP RESIDENTS ONLY

Exhibit H

Early Termination Liability

When calculating the Early Termination Liability in accordance with Section 12 of the Lease, the Remaining Value Amount will include compensation, on a net after-tax basis, for the loss or recapture of any tax credits, tax grants or rebates, on a pro-rata basis, including amounts that will be due by Lessor to reimburse LADWP (on a pro-rata basis) for the portion of the Solar Rebate received for which the System will not be operational.

Modifications in Writing

A copy of any amendment or other change to this Lease will be provided to LADWP by Lessor.

APPLICABLE TO NEW YORK RESIDENTS ONLY

Exhibit I

New York Real Property Tax Benefits: Lessor acknowledges that certain municipalities in the State of New York provide for alternative energy incentives in the form of real property tax reduction or abatement that are available to the owner of the real property on which the System is located and as such would not be available to Lessor. Consequently, notwithstanding the provisions of Section 14 of the Lease, if the municipality in which you reside provides for real property tax abatement or reduction in connection with the real property owned by you and on which the System will be located, you will be entitled to claim and receive such real property tax abatement or reduction and such real property tax abatement or reduction will be yours to keep and will not become the property of Lessor. You are encouraged to consult the Internal Revenue Service (See www.irs.gov), the NYS Department of Taxation and Finance (See www.tax.state.ny.us), your municipality's taxing department and with an accountant/tax adviser for details on eligibility.

Solar Renewable Energy Credits: Notwithstanding the provisions of Section 14 of the Lease, if NYSERDA requires that all or a portion of the renewable energy credits be assigned by Lessor or Lessee to NYSERDA in exchange for the applicable Solar Rebate (as described in Section 3 of the Lease) or other similar benefit, you agree that all such renewable energy credits will be assigned to NYSERDA in accordance with NYSERDA's requirements and you further agree to cooperate with us to enable us to claim and obtain any tax or other credits, rebates or benefits from the System (such as signing or filing applications for rebates or other benefits, agreements or assignments).

NYSERDA Addendum: In the event of a conflict between the Lease (including any and all attachments thereto and amendments thereof, including this Exhibit H) and the ADDENDUM to the POWER PURCHASE AGREEMENT or LEASE (Attachment E-2), to be entered into between Lessor and Lessee (the "NYSERDA Addendum"), the NYSERDA Addendum shall control.

APPLICABLE TO ANAHEIM RESIDENTS ONLY

Exhibit J

Section 14 of the Lease is replaced in its entirety as follows:

This is a lease agreement. Lessor owns the System. You will have no right to sell, give away, transfer, pledge, remove, relocate, alter or tamper with the System at any time. You agree that this Lease is a true lease for tax and other purposes and that: (1) Lessor will receive the benefits of ownership and (2) Lessor is entitled to claim and receive any and all tax or other credits, grants, subsidies, rebates or other benefits related to the System, including the Solar Rebate if it has been assigned to us by you to meet your Solar Incentive Rental obligation, as specifically addressed in Section 3 above. Lessor has not given you any information or advice regarding any possible tax consequences or benefits under this Lease. You agree to cooperate with us to enable us to claim and obtain any tax or other credits, rebates or benefits from the System (such as signing or filing applications for rebates or other benefits). 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 harm or interfere with our rights with respect to such credits, rebates or other benefits.

Lessor has no rights to the renewable energy credits related to a System, and, as such, Lessor may not assign the renewable energy credits

Lessor and you understand and agree that all solar renewable energy credits or certificates ("SRECs") generated by the System will be your sole property and that you will have the sole right to receive and sell such SRECs. In order to receive and in exchange for a solar rebate from the City of Anaheim, you will be required to transfer ownership of such SRECs to the City of Anaheim, according to its program requirements of Anaheim Public Utilities. You further understand and agree that no disbursement of City of Anaheim rebate funds will occur until such time as the transfer of SRECs is complete.

You understand and agree that neither Lessor nor any of its employees, agents or affiliates will at any time be liable or responsible for loss of SRECs or for any fines, penalties or assessments imposed as a result of failure to report or false or inaccurate reporting by you in connection with the generation of electric energy by the System. You agree that if you falsely or inaccurately report the electric generation of the System, you will indemnify Lessor and its employees, agents and affiliates from any fines, penalties or assessments incurred as a result of such false or inaccurate reporting and that you will pay the costs and attorneys fees for Lessor's defending, contenting or protesting any of the foregoing.

SECTION 10 is amended by the addition of the following language:

The Parties understand and agree that this is a lease agreement for the solar power generation equipment described in Section 1 of the Lease and not a sale of power under California's Public Utility Code.

Production Guarantee

Lessee(s) - Name(s) and System Premises: Name(s): John Kloes, Address: 626 Hosiptality Way, Rancho Mirage, CA, 92270.	Lessor - Name and Address: SunPower Capital, LLC 10801 N. MoPac Expressway Building 3, 5th Floor Austin, TX 78759 USA Tel. (888) 249-8550
Date on which lease between Lessee and Lessor (the "Lease") was entered into: 1/21/2014	

1) Production Guarantee

- a) **Production Guarantee.** Dependent upon your continued performance under the Lease for the System, SunPower Corporation, Systems ("SunPower" or "we") guarantee that the System will produce a range of kilowatt hours of electric energy ("kWh") in each Guarantee Year, as described in this section (terms used here are defined at the end of the section). Terms used but not defined herein shall have the meanings given in the Lease.
- b) **Guaranteed Range of Annual Production.** Because the amount of electricity produced by the System is directly proportional to the amount of energy from the sun to which it is exposed, the actual amount of electricity produced by the System will vary in each Guarantee Year. Column 1 of Exhibit A shows the Guaranteed Range of Annual Production, which is our estimate of the amount of electricity the System will produce in each Guarantee Year.
- c) **Difference in Production.** Upon the commencement of this Production Guarantee, SunPower will establish an account for you in the amount of \$0.00, and we will calculate the Difference in Production at the end of each Guarantee Year. If there is a Negative Difference in Production, we will credit your account in dollars equal to the Negative Difference in Production multiplied by the Rate per kWh shown in column 2 of Exhibit A. If there is a Positive Difference in Production, we will debit your account in dollars equal to the Positive Difference in Production multiplied by the Rate per kWh shown in column 2 of Exhibit A.
- d) **Account Settlement.** At the end of any Guarantee Year, credits owed to you will be paid to you in cash and your account balance will be reset to \$0.00. If the balance of your account results in a debit owed to us, you will not be required to make any payment to us, but the balance of the debits will be applied against any future credits before cash is paid to you.
- e) **Conditions.** This Production Guarantee is subject to (a) you being in compliance with all of your obligations under the Lease, (b) there being no interference with or hindrance to the performance or operation of the System, (c) no buildings, structures or flora overshadow or otherwise block access of the sunlight to the System and (d) you meeting the Communication Requirements described below (which enables you to qualify).
- f) **Shading.** You bear sole responsibility for ensuring that the System remains free of overshadowing or other blocked access to sunlight. In the event you do not comply with this section, our performance under this Production Guarantee will be excused until such conditions are corrected.
- g) **Exclusions.** Section 1 of this Agreement shall be limited to the extent that any of the following events result in a material change in the production of electricity by the System:
- i) if someone other than SunPower, Lessor, Dealer/Installer, or a subcontractor specifically approved by SunPower, Lessor or Dealer/Installer (an "approved subcontractor") installed, constructed, tested, removed, re-installed or repaired the System;
 - ii) a power or voltage surge caused by someone other than Lessor or Dealer/Installer including a grid supply voltage outside of the standard range specified by the local utility or the System specifications or as a result of a local power outage or curtailment;
 - iii) destruction or damage to the System or its ability to safely produce energy not caused by SunPower, Lessor, Dealer/Installer or its approved subcontractor while servicing the System (for example, a tree falls on the System not due to any negligence of SunPower, Lessor or Dealer/Installer);
 - iv) lost production due to causes other than faults in the System components or their installation;
 - v) the System is prevented from operating due to local utility or public utilities commission;
 - vi) there are any Force Majeure Events affecting performance of the System or the SunPower Monitoring System; and/or
 - vii) a change in usage of the Premises or any buildings at or near such Premises that may affect insolation without the prior written approval of SunPower.

h) **Contingency for Lost Data.** In the event of hardware, communication, or other failure affecting Actual kWh Production retrievable from the SunPower Monitoring System, SunPower will make commercially reasonable efforts to resolve the failure in a timely manner and the Difference in Production shall be adjusted to compensate for such lost data during such period of failure. SunPower will utilize commercially reasonable methods to estimate the missing kWh based on utility bills or other available information and such estimate shall be included in the calculation of Difference in Production for such period. In the event that no such information is reasonably accessible, SunPower shall make the adjustment based on the original kWh expectation attributable such period. This section states SunPower's sole liability, and Customer's exclusive remedy, for any Difference in Production arising from any equipment failure or lost data relating to the SunPower Monitoring System.

2) **Definitions**

1. "**Actual kWh Production**" means the total number of kWh produced by the system in a given Guarantee Year, as measured by the hardware that we install and as communicated to us by you pursuant to the Communication Requirements.

"**Communication Requirements**" means the following actions you must take in order for the guarantee (and the possibility of any credit) to be available in a Guarantee Year: (a) establish communication with us via your internet connection; and (b) maintain the internet connection so that our hardware can transmit information about the System's electricity production for a period of at least two consecutive hours at least once each month in that Guarantee Year, and at least once within 30 days after the end of the Guarantee Year. Please consult the other sections of this document and use the hardware and instructions provided.

"**Difference in Production**" means with either a Positive Difference in Production or a Negative Difference in Production, as applicable.

"**Force Majeure Event**" means any event, condition or circumstance beyond our control and not caused by our or our subcontractor's fault or negligence. Included among such events would be failure or interruption of production of electricity by the System 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 (including abnormal lack of or abnormally inadequate sunshine); hurricane; flood; lightning; wind; drought; the binding order of any governmental authority; changes in any applicable law relating specifically to the design, construction, installation, interconnection or operation of any of the System which is implemented after the Lease Term Start Date that materially and adversely affects the ability of SunPower to perform its obligations; unavailability of electricity from the utility grid, equipment, supplies or products; and failure of equipment not utilized by us or under our control (not including the System – that is, defective or faulty components of the System are not a Force Majeure Event).

"**Guarantee Year**" is each successive period of a calendar year from the date you first establish internet communication with us as described below ("**Initial Communication Date**") to the next anniversary of the Initial Communication Date. As per the Communication Requirements, if a period of one calendar month passes without a two hour period of communication, the resumption of communication for at least two consecutive hours, whenever it occurs, will establish a new Initial Communication Date. Because the performance of the System will degrade over time, if the Initial Communication Date is between six and 18 months after the Commencement Date, the Guaranteed Annual Production for that Guarantee Year will be the amount listed for Guarantee Year 2 rather than Guarantee Year 1 (and for each successive Guarantee Year will be the amount listed as the next Guarantee Year, to the end of the Lease Term). Similarly, if the Initial Communication Date is between 18 months and 30 months after the Commencement Date, the Guaranteed Annual System Production for that Guarantee Year will be the amount listed for Guarantee Year 3 rather than Guarantee Year 2, and so on for each successive Guarantee Year to the end of the Lease Term.

"**Guaranteed Range of Annual Production**" is the estimate of the range of production for a Guarantee Year made by SunPower using details related to the installation of the System, including but not limited to, typical meteorological year data, equipment efficiency, roof pitch and orientation. The Guaranteed Range of Annual System Production for each Guarantee Year is in column 1 of Exhibit A.

"**Negative Difference in Production**" means the difference between the Actual kWh Production and the bottom of the Guaranteed Range of Annual Production, if the Actual kWh Production is less than the bottom of the Guaranteed Range of Annual Production.

"**Positive Difference in Production**" means the difference between the Actual kWh Production and the top of the Guaranteed Range of Annual Production, if the Actual kWh Production is more than the top of the Guaranteed Range of Annual Production.

"**Rate per kWh**" is equal to, in respect of the relevant Guarantee Year, the aggregate Monthly Lease Payments divided by the middle of the Guaranteed Range of Annual Production for that Guarantee Year.

Exhibit A
Guaranteed System Production

Guarantee Year	Guaranteed Range of Annual Production	Rate per kWh
<u>Year 1</u>	<u>12901-14259</u>	<u>\$0.23</u>
<u>Year 2</u>	<u>12869-14224</u>	<u>\$0.23</u>
<u>Year 3</u>	<u>12837-14188</u>	<u>\$0.23</u>
<u>Year 4</u>	<u>12805-14153</u>	<u>\$0.23</u>
<u>Year 5</u>	<u>12773-14117</u>	<u>\$0.23</u>
<u>Year 6</u>	<u>12741-14082</u>	<u>\$0.23</u>
<u>Year 7</u>	<u>12709-14047</u>	<u>\$0.23</u>
<u>Year 8</u>	<u>12677-14012</u>	<u>\$0.23</u>
<u>Year 9</u>	<u>12646-13977</u>	<u>\$0.23</u>
<u>Year 10</u>	<u>12614-13942</u>	<u>\$0.23</u>
<u>Year 11</u>	<u>12582-13907</u>	<u>\$0.23</u>
<u>Year 12</u>	<u>12551-13872</u>	<u>\$0.23</u>
<u>Year 13</u>	<u>12520-13838</u>	<u>\$0.23</u>
<u>Year 14</u>	<u>12488-13803</u>	<u>\$0.23</u>
<u>Year 15</u>	<u>12457-13768</u>	<u>\$0.23</u>
<u>Year 16</u>	<u>12426-13734</u>	<u>\$0.23</u>
<u>Year 17</u>	<u>12395-13700</u>	<u>\$0.24</u>
<u>Year 18</u>	<u>12364-13665</u>	<u>\$0.24</u>
<u>Year 19</u>	<u>12333-13631</u>	<u>\$0.24</u>
<u>Year 20</u>	<u>12302-13597</u>	<u>\$0.24</u>