



Homeowner Name and Address

Mark Wright
36393 Provence Dr
Murrieta, CA 92562

Co-Owner Name (If Any)

Installation Location

36393 Provence Dr
Murrieta, CA 92562

Contractor License

CA CSLB 888104

1. Introduction.

This Power Purchase Agreement (this "Power Purchase Agreement" or "PPA") is the agreement between you and SolarCity Corporation (together with its successors and assigns, "SolarCity" or "we"), covering the sale to you of the power produced by the solar panel system (the "System") described below. SolarCity agrees to sell to you, and you agree to buy from SolarCity, all of the power produced by the System on the terms and conditions described in this Power Purchase Agreement. The System will be installed by SolarCity at the address you listed above. This Power Purchase Agreement will refer to this address as the "Property" or your "Home." This Power Purchase Agreement is twelve (12) pages long and has up to three (3) Exhibits depending on the state where you live. SolarCity provides you with a Limited Warranty (the "Limited Warranty"). The Limited Warranty is attached as Exhibit 2. This is a legally binding agreement with disclosures required by law, so please read everything carefully. If you have any questions regarding this Power Purchase Agreement, please ask your SolarCity sales consultant.

2. Term.

SolarCity agrees to sell you the power generated by the System for 20 years (240 months), plus, if the Interconnection Date is not on the first day of a calendar month, the number of days left in that partial calendar month. We refer to this period of time as the "Term." The Term begins on the Interconnection Date. The "Interconnection Date" is the date that the System is turned on and generating power. SolarCity will notify you by email when your System is ready to be turned on.

3. Intentionally Left Blank.

4. Power Purchase Agreement Payments; Amounts.

(a) Power Price. You are purchasing the power the System produces. The price of that power is set forth on the value statement attached as Schedule A.

(b) Payments. Schedule A details, among other things, (i) the price per kWh you will be charged; (ii) the annual percentage price increase (if any); (iii) SolarCity's estimate of the amount of power that is expected to be produced by the System in the first year of the Term; (iv) SolarCity's estimate of the amount of power that is expected to be produced by the System over the entire Initial Term; (v) your monthly payments for the first year (or your prepayment); and (vi) your guaranteed power production and repayment price for underproduction. Your estimated monthly payments are the product of (A) the price per kWh multiplied by (B) the estimated annual kWh output divided by (C) twelve (12) ("Monthly Payments"). You will pay no Monthly Payments if you are fully prepaying this PPA. Monthly Payments are due on the first of the month for the previous calendar month. Because these are calendar Monthly Payments (billed after the calendar month is over) based on estimated production, the amount you actually pay for each month may be more or less than the estimated amount based on the System's actual production in each calendar month. Monthly Payments may change if your price per kWh changes over the Term of this PPA. Any such changes are set forth in Schedule A. Within 45 days of the end of each calendar year, SolarCity will compare the System's actual production and the estimated production and if the actual production is less than the estimated production, SolarCity will send you a refund for any overpayments you made. We will not charge you for the extra power the System produced. You will have

regular access to the System's production via your SolarCity online account. Actual production will vary from estimated production due to weather and other conditions, but SolarCity guarantees you will not pay for power the System does not actually produce. See Schedule A for details. Payments due upon installation are due immediately prior to commencement of installation.

- (c) **Payment Reconciliation.** If (i) the System is off line for more than seven (7) full twenty-four (24) hour days cumulatively during the Term (for example, you remove the System to do renovations to your Home); or (ii) you take some action that significantly reduces the output of the System; or (iii) you don't trim your bushes or trees to their appearance when you signed this PPA to avoid foliage growth from shading the System, then SolarCity will reasonably estimate the amount of power that would have been delivered to you during such outages or reduced production periods and shall consider that as actual production for purposes of this paragraph. You will not be charged for the System being off line due to SolarCity's fault, or if it's due to grid failure or power outages caused by someone other than you.

5. **Power Purchase Agreement Obligations.**

(a) **System, Home and Property Maintenance**

You agree to:

- (i) only have the System repaired pursuant to the Limited Warranty and reasonably cooperate when repairs are being made;
- (ii) keep trees, bushes and hedges trimmed so that the System receives as much sunlight as it did when SolarCity installed it;
- (iii) not modify your Home in a way that shades the System;
- (iv) be responsible for any conditions at your Home that affect the installation (e.g., blocking access to the roof, or removing a tree that is in the way);
- (v) not remove any markings or identification tags on the System;

- (vi) permit SolarCity, after we give you reasonable notice, to inspect the System for proper operation as we reasonably determine necessary;
- (vii) use the System primarily for personal, family or household purposes, but not to heat a swimming pool;
- (viii) not do anything, permit or allow to exist any condition or circumstance that would cause the System not to operate as intended at the Property;
- (ix) notify SolarCity if you think the System is damaged or appears unsafe; if the System is stolen; and prior to changing your power supplier;
- (x) have anyone who has an ownership interest in your Home sign this Power Purchase Agreement;
- (xi) return any documents we send you for signature (like incentive claim forms) within seven (7) days of receiving them; and
- (xii) maintain and make available, at your cost, a functioning indoor Internet connection with one available wired Ethernet port and standard AC power outlet within eighty (80) feet of the System's AC/DC inverter(s). See section 2(c) of the Limited Warranty for details.

(b) **System Construction, Repair, Insurance and SolarCity's obligations:**

SolarCity agrees to:

- (xiii) provide you with a Home Energy Evaluation;
- (xiv) schedule the installation of the System at a mutually convenient date and time;
- (xv) construct the System according to written plans you review;

- (xvi) provide you with a web-enabled meter to accurately measure the amount of power the System delivers to you;
- (xvii) notify you if the System design has to be materially changed so that you can review any such changes;
- (xviii) clean up after ourselves during the construction of the System;
- (xix) insure the System against all damage or loss unless (A) that damage or loss is caused by your gross negligence; or (B) you intentionally damage the System;
- (xx) repair the System pursuant to the Limited Warranty and reasonably cooperate with you when scheduling repairs;
- (xxi) create a priority stream of operation and maintenance payments to provide enough cash flow in our financing transactions to pay for the Limited Warranty obligations and the repair and maintenance of the System in accordance with this PPA even if SolarCity ceases to operate; and
- (xxii) not put a lien on your Home or Property.

(c) Home Renovations or Repairs

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

(d) Automatic Payment, Fees; Late Charges

In addition to the other amounts you agree to pay in this Power Purchase Agreement, you agree to pay the following:

- (i) **Automatic Payment Discount:** All prices include a \$15 monthly discount for using automatic payment. You will not receive a \$15 monthly discount if you do not make automatic Monthly Payments through your checking or savings account;

- (ii) **Returned Check Fee:** \$25 (or such lower amount as required by law) for any check or withdrawal right that is returned or refused by your bank;
- (iii) **Late Payments:** accrue interest at the lesser of twelve percent (12%) annually or the maximum allowable by applicable law; and
- (iv) **Product Change Fee:** if after you sign this Power Purchase Agreement, but before we begin installation, you decide you would prefer an alternative SolarCity product (a SolarLease, or a prepaid PPA, etc.) you will pay a \$250 change fee.

(e) Estimated Taxes

You agree to pay any applicable sales or use taxes on the Monthly Payments (or prepayment, as applicable) due under this PPA. If this PPA contains a purchase option at the end of the Term, you agree to pay any applicable tax on the purchase price for the System. You also agree to pay as invoiced any applicable personal property taxes on the System that your local jurisdiction may levy. The total estimated amount you will pay for taxes over the Term is **\$0.00**.

(f) No Alterations

You agree that you will not make any modifications, improvements, revisions or additions to the System or take any other action that could void the Limited Warranty on the System without SolarCity's prior written consent. If you make any modifications, improvements, revisions or additions to the System, they will become part of the System and shall be SolarCity's property.

(g) Access to the System

- (i) You grant to SolarCity and its employees, agents and contractors the right to reasonably access all of the Property as necessary for the purposes of (A) installing, constructing, operating, owning, repairing, removing and replacing the System or making any additions to the System or installing complementary technologies on or about the location of the System; (B) enforcing

SolarCity's rights as to this Power Purchase Agreement and the System; (C) installing, using and maintaining electric lines and inverters and meters, necessary to interconnect the System to your electric system at the Property and/or to the utility's electric distribution system; or (D) taking any other action reasonably necessary in connection with the construction, installation, operation, maintenance, removal or repair of the System. This access right shall continue for up to ninety (90) days after this Power Purchase Agreement expires to provide SolarCity with time to remove the System at the end of the Power Purchase Agreement. SolarCity shall provide you with reasonable notice of its need to access the Property whenever commercially reasonable.

- (ii) During the time that SolarCity has access rights you shall ensure that its access rights are preserved and shall not interfere with or permit any third party to interfere with such rights or access. You agree that the System is not a fixture, but SolarCity has the right to file any UCC-1 financing statement or fixture filing that confirms its interest in the System.

(h) Indemnity

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

(i) Payments

Schedule A describes your payment obligations under this PPA. SUBJECT TO SECTION 4(b) ABOVE, YOU AGREE THAT THE OBLIGATION TO PAY ALL PAYMENTS AND ALL OTHER AMOUNTS DUE UNDER THIS PPA SHALL BE, ABSOLUTE AND UNCONDITIONAL UNDER ALL CIRCUMSTANCES AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, DEFENSE, COUNTERCLAIM, SETOFF, RECOUPMENT OR REDUCTION FOR ANY REASON WHATSOEVER, IT BEING THE EXPRESS INTENT OF THE PARTIES THAT ALL AMOUNTS PAYABLE BY YOU HEREUNDER SHALL BE, AND CONTINUE TO BE, PAYABLE IN ALL EVENTS INCLUDING BY YOUR HEIRS AND ESTATE AND, EXCEPT AS SET FORTH BELOW IN SECTIONS 6, 23 AND 24, YOU HEREBY WAIVE ALL RIGHTS YOU MAY HAVE TO REJECT OR CANCEL THIS PPA, TO REVOKE ACCEPTANCE OF THE SYSTEM, OR TO GRANT A SECURITY INTEREST IN THE SYSTEM.

6. Conditions Prior to Installation of the System; Change Orders.

- (a) SolarCity's obligation to install the System and sell you the power it produces is conditioned on the following items having been completed to its reasonable satisfaction:
 - (i) completion of (A) the engineering site audit (a thorough physical inspection of the Property, including, if applicable, geotechnical work), (B) the final System design, and (C) real estate due diligence to confirm the suitability of the Property for the construction, installation and operation of the System;
 - (ii) approval of this Power Purchase Agreement by one of SolarCity's financing parties;
 - (iii) confirmation of rebate, tax credit and renewable energy credit payment availability in the amount used to calculate the Monthly Payments set forth in this Power Purchase Agreement;
 - (iv) confirmation that SolarCity will obtain all applicable benefits referred to in Section 9;

- (v) receipt of all necessary zoning, land use and building permits; and
- (vi) completion of any renovations, improvements or changes reasonably required at your Home or on the Property (e.g., removal of a tree or necessary roof repairs to enable us to safely install the System).

SolarCity may terminate this Power Purchase Agreement without liability if, in its reasonable judgment, any of the above listed conditions (i) through (vi) will not be satisfied for reasons beyond its reasonable control. Once SolarCity starts installation, however, it may not terminate this Power Purchase Agreement for your failure to satisfy conditions (i) through (vi) above.

(b) **Amendments, Your Right to Terminate for Material Changes.**

Both parties will have the right to terminate this PPA, without penalty or fee, if SolarCity determines after the engineering site audit of your Home that it has misestimated by more than ten percent (10%) the System's annual production. Such termination right will expire at the earlier of (i) one (1) week prior to the scheduled System installation date and (ii) one (1) month after we inform you in writing of the revised production estimate. If neither party exercises their right to terminate this PPA following a ten percent (10%) change in the System's production, then any changes to the System will be documented in an amendment to this PPA. You authorize SolarCity to make corrections to the utility paperwork to conform to this PPA or any amendments to this PPA we both sign.

7. Warranty.

YOU UNDERSTAND THAT THE SYSTEM IS WARRANTED SOLELY UNDER THE LIMITED WARRANTY ATTACHED AS **EXHIBIT 2**, AND THAT THERE ARE NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR ANY PURPOSE, CONDITION, DESIGN, CAPACITY, SUITABILITY OR PERFORMANCE OF THE SYSTEM OR ITS INSTALLATION.

8. Transfer.

SolarCity works with banks, large companies and other significant financing parties to finance your System. As a result, SolarCity will assign this PPA to one of its financing parties. Thus, to finance your System, you agree that SolarCity may assign, sell or transfer the System and this Power Purchase Agreement, or any part of this Power Purchase Agreement or the exhibits, without your consent. Assignment, sale or transfer generally means that SolarCity would transfer certain of its rights and certain of its obligations under this Power Purchase Agreement to another party. This assignment does not change SolarCity's obligation to maintain and repair your System as set forth in the Warranty.

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

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

YOU UNDERSTAND AND AGREE THAT ANY AND ALL TAX CREDITS, INCENTIVES, RENEWABLE ENERGY CREDITS, GREEN TAGS, CARBON OFFSET CREDITS, UTILITY REBATES OR ANY OTHER NON-POWER ATTRIBUTES OF THE SYSTEM ARE THE PROPERTY OF AND FOR THE BENEFIT OF SOLARCITY, USABLE AT ITS SOLE DISCRETION. SOLARCITY SHALL HAVE THE EXCLUSIVE RIGHT TO ENJOY AND USE ALL SUCH BENEFITS, WHETHER SUCH BENEFITS EXIST NOW OR IN THE FUTURE. YOU AGREE TO REFRAIN FROM ENTERING INTO ANY AGREEMENT WITH YOUR UTILITY THAT WOULD ENTITLE YOUR UTILITY TO CLAIM ANY SUCH BENEFITS. YOU AGREE TO REASONABLY COOPERATE WITH SOLARCITY SO THAT IT MAY CLAIM ANY TAX CREDITS, RENEWABLE ENERGY CREDITS, REBATES, CARBON OFFSET CREDITS OR ANY OTHER BENEFITS FROM THE SYSTEM. THIS MAY INCLUDE TO THE EXTENT ALLOWABLE BY LAW, ENTERING INTO NET METERING AGREEMENTS, INTERCONNECTION AGREEMENTS, AND FILING RENEWABLE ENERGY/CARBON OFFSET CREDIT REGISTRATIONS AND/OR APPLICATIONS FOR REBATES FROM THE FEDERAL, STATE OR LOCAL GOVERNMENT OR A LOCAL UTILITY AND GIVING THESE TAX CREDITS, RENEWABLE ENERGY/CARBON CREDITS, REBATES OR OTHER BENEFITS TO SOLARCITY.

10. Purchasing the System Prior to the End of the Term.

In addition to purchasing the System at the end of the Term (see Schedule A), you have the option to purchase the System prior to the end of the Term. To exercise this option you must be in good standing under this Power Purchase Agreement and you need to give us at least one (1) month's, but not more than three (3) months' prior written notice. You can purchase this System:

- (i) on the five (5) year anniversary of the beginning of the Term and every annual anniversary after the five (5) year anniversary; and
- (ii) when you sell your Home (See Section 12 for more details); and
- (iii) if SolarCity ever ceases its operations.

In each of (i), (ii) and (iii) above, the price you will pay for the System will be the *greater* of the System's fair market value ("FMV") and the amount shown on Schedule A. The interests of any financing party shall not be taken into account when determining the FMV; a third party independent appraiser will be retained to compute the System's FMV. SolarCity's maintenance and repair obligations will end when you purchase the System unless you enter into a new maintenance and repair agreement with SolarCity, provided that you will have no less than a ten (10) year warranty on the System beginning on the Interconnection Date that guarantees that the System will be free from defects in workmanship or defects in, or breakdown of, materials or components.

11. Renewal.

You have the option to renew your PPA for up to ten (10) years in two (2) five (5) year renewal periods. We will send you renewal forms three (3) months prior to the expiration of the Term, which forms shall set forth the new Monthly Payments due under the renewal PPA, based on our assessment of the then current fair market value of the System. If you want to renew and you are in compliance with this PPA, complete the renewal forms and return them to us at least one (1) month prior to the end of the PPA. In the event that you do not agree to the new Monthly Payments this PPA shall expire by its terms on the termination date. If we don't hear back from you after we send you the renewal forms, then this PPA shall renew for an additional one (1) year term at ten percent (10%) less than the then-current

average rate charged by your local utility and shall continue to renew for one (1) year terms at that same rate until we hear from you at least thirty (30) days prior to a renewal term that you do not wish to renew.

12. Selling Your Home.

(a) If you sell your Home you can:

(i) **Transfer this PPA.**

The person buying your Home can sign a transfer agreement assuming all of your rights and obligations under this PPA where permitted by the local utility.

(ii) **Move the System to your new Home.**

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

(b) You agree to give SolarCity at least fifteen (15) days but not more than three (3) months' prior written notice if you want someone to assume your PPA obligations. In connection with this assumption, you, your buyer and SolarCity shall execute a written transfer of this PPA. Unless we have released you from your obligations in writing, you are still responsible for performing under this PPA. If your buyer defaults on this PPA and we have not yet signed the transfer agreement, you will be responsible for their default. We will release you from your obligations under this PPA in writing once we have a signed transfer agreement with the person buying your Home.

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

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

13. Loss or Damage.

- (a) Unless you are grossly negligent or you intentionally damage the System, SolarCity will bear all of the risk of loss, damage, theft, destruction or similar occurrence to any or all of the System. Except as expressly provided in this PPA, no loss, damage, theft or destruction will excuse you from your obligations under this PPA, including Monthly Payments.
- (b) If there is loss, damage, theft, destruction or a similar occurrence affecting the System, and you are not in default of this PPA, you shall continue to timely make all Monthly Payments and pay all other amounts due under the PPA and, cooperate with SolarCity, at SolarCity's sole cost and expense, to have the System repaired pursuant to the Limited Warranty.

14. Limitation of Liability.

(a) No Consequential Damages

SOLARCITY'S LIABILITY TO YOU UNDER THIS POWER PURCHASE AGREEMENT SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY. YOU AGREE THAT IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR INDIRECT DAMAGES.

(b) Actual Damages

EXCEPT FOR CLAIMS UNDER SECTION 5(I), NEITHER PARTY'S LIABILITY TO THE OTHER WILL EXCEED AN AMOUNT EQUAL TO THE MAXIMUM AMOUNT THAT COULD BE PAYABLE BY YOU UNDER SECTION 16(F). DAMAGES TO YOUR HOME, BELONGINGS OR PROPERTY RESULTING FROM THE INSTALLATION OR OPERATION OF THE SYSTEM ARE COVERED IN SECTION 6(D) OF THE LIMITED WARRANTY.

15. Default.

You will be in default under this Power Purchase Agreement if any one of the following occurs:

- (a) you fail to make any payment when it is due and such failure continues for a period of ten (10) days;
- (b) you fail to perform any material obligation that you have undertaken in this PPA (which includes doing something you have agreed not to do, like alter the System) and such failure continues for a period of fourteen (14) days after written notice;
- (c) you or your guarantor have provided any false or misleading financial or other information to obtain this Power Purchase Agreement;
- (d) you assign, transfer, encumber, sublet or sell this PPA or any part of the System without SolarCity's prior written consent; or
- (e) you or any guarantor makes an assignment for the benefit of creditors, admits in writing its insolvency, files or there is filed against you or it a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent or undertakes or experiences any substantially similar activity.

16. Remedies in Case of Default.

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

- (a) terminate this PPA;
- (b) take any reasonable action to correct your default or to prevent our loss; any amount we pay will be added to the amount you owe us and will be immediately due;
- (c) require you, at your expense, to return the System or make it available to us in a reasonable manner;
- (d) proceed, by appropriate court action, to enforce performance of this PPA and to recover damages for your breach;
- (e) turn off or take back the System by legal process or self-help, but we may not disturb the peace or violate the law;

- (f) recover from you (i) a payment equal to the higher of (A) the prepay price and (B) the purchase price set both as forth in Schedule A plus (ii) all taxes, late charges, penalties, interest and all or any other sums then accrued or due and owing; or
- (g) use any other remedy available to us in this PPA or by law.

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

17. System Removal; Return.

At the end of the Term or the termination of this PPA, if you have not renewed this PPA or exercised your purchase option (if any) and you have not defaulted, then within ninety (90) days you agree to call SolarCity at the telephone number listed in Section 7 of Exhibit 2 to schedule a convenient time for SolarCity to remove the System from your Home at no cost to you.

18. Applicable Law; Arbitration.

PLEASE READ THIS SECTION CAREFULLY. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, A DISPUTE IS RESOLVED BY AN ARBITRATOR INSTEAD OF A JUDGE OR JURY.

The laws of the state where your Home is located shall govern this PPA without giving effect to conflict of laws principles. We agree that any dispute, claim or disagreement between us (a "Dispute") shall be resolved exclusively by arbitration.

The arbitration, including the selecting of the arbitrator, will be administered by JAMS, under its Streamlined Arbitration Rules (the "Rules") by a single neutral arbitrator agreed on by the parties within thirty (30) days of the commencement of the arbitration. The arbitration will be governed by the Federal

Arbitration Act (Title 9 of the U.S. Code). Either party may initiate the arbitration process by filing the necessary forms with JAMS. To learn more about arbitration, you can call any JAMS office or review the materials at www.jamsadr.com. The arbitration shall be held in the location that is most convenient to your Home. If a JAMS office does not exist in the county where you live, then we will use another accredited arbitration provider with offices close to your Home.

If you initiate the arbitration, you will be required to pay the first \$125 of any filing fee. We will pay any filing fees in excess of \$125 and we will pay all of the arbitration fees and costs. If we initiate the arbitration, we will pay all of the filing fees and all of the arbitration fees and costs. We will each bear all of our own attorney's fees and costs except that you are entitled to recover your attorney's fees and costs if you prevail in the arbitration and the award you receive from the arbitrator is higher than SolarCity's last written settlement offer. When determining whether your award is higher than SolarCity's last written settlement offer your attorney's fees and costs will not be included.

Only Disputes involving you and SolarCity may be addressed in the arbitration. Disputes must be brought in the name of an individual person or entity and must proceed on an individual (non-class, non-representative) basis. The arbitrator will not award relief for or against anyone who is not a party. If either of us arbitrates a Dispute, neither of us, nor any other person, may pursue the Dispute in arbitration as a class action, class arbitration, private attorney general action or other representative action, nor may any such Dispute be pursued on your or our behalf in any litigation in any court. Claims regarding any Dispute and remedies sought as part of a class action, class arbitration, private attorney general or other representative action are subject to arbitration on an individual (non-class, non-representative) basis, and the arbitrator may award relief only on an individual (non-class, non-representative) basis. This means that the arbitration may not address disputes involving other persons with disputes similar to the Disputes between you and SolarCity.

The arbitrator shall have the authority to award any legal or equitable remedy or relief that a court could order or grant under this agreement. The arbitrator, however, is not authorized to change or alter the terms of this agreement or to make any award that would extend to any transaction other than yours. All statutes of limitations that are applicable to any dispute shall apply to any arbitration between us. The Arbitrator will issue a decision or award in writing, briefly stating the essential findings of fact and conclusions of law.

BECAUSE YOU AND WE HAVE AGREED TO ARBITRATE ALL DISPUTES, NEITHER OF US WILL HAVE THE RIGHT TO LITIGATE THAT DISPUTE IN COURT, OR TO HAVE A JURY TRIAL ON THAT DISPUTE, OR ENGAGE IN DISCOVERY EXCEPT AS PROVIDED FOR IN THE RULES. FURTHER, YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS PERTAINING TO ANY DISPUTE. THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING ON THE PARTIES AND MAY BE ENTERED AND ENFORCED IN ANY COURT HAVING JURISDICTION, EXCEPT TO THE EXTENT IT IS SUBJECT TO REVIEW IN ACCORDANCE WITH APPLICABLE LAW GOVERNING ARBITRATION AWARDS. OTHER RIGHTS THAT YOU OR WE WOULD HAVE IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

19. Waiver.

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

20. Notices.

All notices under this PPA shall be in writing and shall be by personal delivery, facsimile transmission, electronic mail, overnight courier, or certified or registered mail, return receipt requested, and deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices shall be

sent to the person identified in this PPA at the addresses set forth in this PPA or such other address as either party may specify in writing. Each party shall deem a document faxed to it as an original document.

21. Entire Agreement; Changes.

This PPA contains the parties' entire agreement regarding the sale and purchase of power generated by the System. There are no other agreements regarding this PPA, either written or oral. Any change to this PPA must be in writing and signed by both parties. If any portion of this PPA is determined to be unenforceable, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable.

22. Publicity.

SolarCity will not publicly use or display any images of the System unless you initial the space below. If you initial the space below, you give us permission to take pictures of the System as installed on your Home to show to other customers or display on our website.

Customer Initials

23. NOTICE OF RIGHT TO CANCEL.

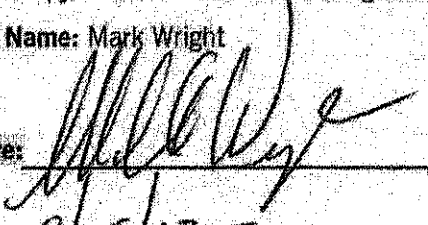
YOU MAY CANCEL THIS CONTRACT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE YOU SIGN THIS CONTRACT. SEE EXHIBIT 1, THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

24. ADDITIONAL RIGHTS TO CANCEL.

IN ADDITION TO ANY RIGHTS YOU MAY HAVE TO CANCEL THIS PPA UNDER SECTIONS 6 AND 23, YOU MAY ALSO CANCEL THIS PPA AT NO COST AT ANY TIME PRIOR TO 5 P.M. OF THE 14TH CALENDAR DAY AFTER YOU SIGN THIS PPA.

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

Owner's Name: Mark Wright

Signature: 

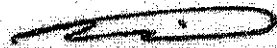
Date: 9/15/12

Co-Owner's Name (if any):

Signature: _____

Date: _____

SOLARCITY APPROVED



LYNDON RIVE, CEO

(SolarCity Signature Here)

(PPA) Power Purchase Agreement



Date: 10/9/12

SOLARCITY CORPORATION**POWER PURCHASE
AGREEMENT****Schedule A****Value Statement**

Amount Due at Contract Signing: \$0
 Amount Due When Installation Begins: \$7,440.00
 Amount Due Following Bldg Inspection: \$7,440.00
 Installation Fee: \$0
 Average Cost per kWh: \$0.0935
 Estimated First Year Annual Production: 8,341 kilowatt hours (kWh)
 Estimated Initial Term Total Production: 159,123 kilowatt hours (kWh)
 Estimated First Year Monthly Payments: \$0.00
 Price per kWh Annual Increase: 0.0 %

	Performance Guarantee	Performance Guarantee	Purchase Option
End of Year	Guaranteed kWh Output at Year End	Refund Payment per kWh if Guaranteed Output Not Met	Minimum Cash Purchase Price ¹
1	8,341	\$0.0935	N/A
2	16,640	\$0.0935	N/A
3	24,897	\$0.0935	N/A
4	33,113	\$0.0935	N/A
5	41,289	\$0.0935	N/A
6	49,423	\$0.0935	\$4,356
7	57,516	\$0.0935	\$4,291
8	65,569	\$0.0935	\$4,226
9	73,582	\$0.0935	\$4,160
10	81,555	\$0.0935	\$4,095
11	89,488	\$0.0935	\$4,030
12	97,381	\$0.0935	\$3,965
13	105,235	\$0.0935	\$3,900
14	113,050	\$0.0935	\$3,835
15	120,825	\$0.0935	\$3,770
16	128,562	\$0.0935	\$3,704
17	136,260	\$0.0935	\$3,639
18	143,919	\$0.0935	\$3,574
19	151,540	\$0.0935	\$3,509
20	159,123	\$0.0935	FMV

1) Per Section 10, the price you will pay to purchase the System will be the greater of the System's fair market value ("FMV") and the amount shown above on Schedule A.

EXHIBIT 1 (SOLARCITY COPY)

**NOTICE OF CANCELLATION
STATUTORILY-REQUIRED LANGUAGE****Notice of Cancellation**

Date of Transaction: The date you signed the Power Purchase Agreement.

You may cancel this transaction, without any penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller (SolarCity Corporation) 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 (SolarCity Corporation) 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 (SolarCity Corporation) regarding the return shipment of the goods at the seller's (SolarCity Corporation's) expense and risk. If you do make the goods available to the seller (SolarCity Corporation) and the seller (SolarCity Corporation) 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 (SolarCity Corporation), or if you agree to return the goods to the seller (SolarCity Corporation) 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 SolarCity Corporation, 3055 Clearview Way, San Mateo, CA 94402 not later than midnight of the date that is 3 business days from the date you signed the Power Purchase Agreement.

I, _____ [Name], hereby cancel this transaction on _____ [Date].

Owner's Signature:

Co-Owner's Signature:

EXHIBIT 2**PERFORMANCE GUARANTY AND LIMITED WARRANTY****I. INTRODUCTION**

This Performance Guaranty and Limited Warranty (this "Limited Warranty") is SolarCity's agreement to provide you warranties on the System you are hosting pursuant to our PPA. The System will be professionally installed by SolarCity at the address you listed in the PPA. We will refer to the installation location as your "Property" or your "Home." This Limited Warranty begins when we start installing the System at your Home. We look forward to helping you produce clean, renewable solar power at your Home.

2. LIMITED WARRANTIES**(a) Limited Warranties**

SolarCity warrants the System as follows:

(i) System Warranty

During the entire Power Purchase Agreement Term, under normal use and service conditions, the System will be free from defects in workmanship or defects in, or a breakdown of, materials or components (the "System Warranty");

(ii) Roof Warranty

When we penetrate your roof during a System installation we will warrant roof damage we cause due to our roof penetrations. This roof warranty will run the longer of (A) one (1) year following the completion of the System installation; and (B) the length of any existing installation warranty or new home builder performance standard for your roof (the "Roof Warranty Period"); and

(iii) Repair Promise

During the entire Power Purchase Agreement Term, SolarCity will honor the System Warranty and will repair or replace any defective part, material or component or correct any defective workmanship, at no cost or expense to you (including all labor costs), when you submit a valid claim to us under this Limited Warranty. If we damage your Home, your belongings or your Property we will repair the damage we cause or pay you for the damage we cause as described in Section 6. SolarCity may use new or reconditioned parts when making repairs or replacements. SolarCity may also, at no additional cost to you, upgrade or add to any part of the System to ensure that it performs according to the guarantees set forth in this Limited Warranty. Cosmetic repairs that do not involve safety or performance shall be made at SolarCity's discretion.

(b) Warranty Length

- (i) The warranties in Sections 2(a)(i) and 2(a)(iii) above will start when we begin installing the System at your Home and continue through the entire Power Purchase Agreement Term but never less than ten (10) years. Thus, for as long as you host the System from SolarCity under a PPA, you will have a System Warranty and our Repair Promise.

- (ii) The Roof Warranty Period may be shorter than the System Warranty, as described in Section 2(a)(ii) above.
- (iii) If you have assumed an existing PPA, then this Limited Warranty will cover you for the remaining balance of the existing Power Purchase Agreement Term.

(c) Performance Warranties and Guaranty

(i) Power Production Guarantee and Refund

SolarCity guarantees that during the Power Purchase Agreement Term the System will operate within manufacturer's specifications and that if it does not that SolarCity will repair or replace any defective part and restore System performance.

Beginning at the end of the first full calendar year following the System's installation, if the System does not produce 100% of the estimated production set forth in Schedule A (the "Guaranteed Output") SolarCity will send you a refund calculated at the same rate per kWh you are paying SolarCity. Your cumulative actual annual kWh is dependent on a shading percentage of 11 % on your Home. If this shading percentage increases, your Guaranteed Output will be reduced proportionately.

(ii) SolarGuard®

During the Power Purchase Agreement Term, we will provide you at no additional cost our SolarGuard Monitoring Service ("SolarGuard"). SolarGuard is a proprietary monitoring system designed and installed by SolarCity that captures and displays historical power generation data over an Internet connection and consists of hardware located on site and software hosted by SolarCity. If the System is not operating within normal ranges, SolarGuard will alert us and we will remedy any material issues.

(iii) PowerGuide™

If you have upgraded your PPA to include the PowerGuide Monitoring Service ("PowerGuide"), SolarCity will provide it to you for the first ten (10) years of the Term. PowerGuide is a SolarGuard improvement that captures and displays historical power consumption data. Not all home power systems are compatible with PowerGuide. If you ordered PowerGuide and your Home is not compatible with PowerGuide, then SolarCity will adjust your PPA payments to reflect its removal.

(iv) Output Warranty

The System's rated electrical output during the first ten (10) years of the Power Purchase Agreement Term shall not decrease by more than fifteen percent (15%). This output warranty is in addition to the Power Production Guarantee in Section 2(c)(i) of this Exhibit 2 and you will be provided a refund for underproduction as set forth in Section 2(c)(i).

(d) Maintenance and Operation

(i) General

When the System is installed, SolarCity will provide you with a link to its Solar Operation Guide. This Guide provides you with System operation instructions, answers to frequently asked questions, troubleshooting tips and service information. SolarCity will perform all required System maintenance.

(ii) SolarGuard

Both the SolarGuard service and its PowerGuide upgrade require a high speed Internet line to operate. Therefore, during the Power Purchase Agreement Term, you agree to maintain the communication link between SolarGuard and the System and between SolarGuard and the Internet. You agree to maintain and make available, at your cost, a functioning indoor Internet connection with one available wired Ethernet port and standard AC power outlet within eighty (80) feet of the System's AC/DC inverter(s). This communication link must be a 10/100 Mbps Ethernet connection that supports common Internet protocols (TCP/IP and DHCP). If you do not have and maintain a working high speed Internet line we will not be able to monitor the System and provide you with a production guarantee or provide a PowerGuide upgrade. Further, if SolarGuard is not operational, SolarCity will be required to estimate your power usage as set forth in the PPA.

(e) Making a Claim; Transferring this Warranty

(i) Claims Process

You can make a claim by:

- A. emailing us at the email address in Section 7 below;
- B. writing us a letter and sending it overnight mail with a well-known service; or
- C. sending us a fax at the number in Section 7 below.

(ii) Transferable Limited Warranty

SolarCity will accept and honor any valid and properly submitted Warranty claim made during any Term by any person who either purchases the System from you or to whom you properly transfer the PPA.

(f) Exclusions and Disclaimer

The limited warranties and guaranty provided in this Limited Warranty do not apply to any lost power production or any repair, replacement or correction required due to the following:

- (i) someone other than SolarCity or its approved service providers installed, removed, re-installed or repaired the System;
- (ii) destruction or damage to the System or its ability to safely produce power not caused by SolarCity or its approved service providers while servicing the System (e.g., if a tree falls on the System we will replace the System per the Power Purchase Agreement, but we will not repay you for power it did not produce);
- (iii) your failure to perform, or breach of, your obligations under the Power Purchase Agreement (e.g., you modify or alter the System);
- (iv) your breach of this Limited Warranty, including your being unavailable to provide access or assistance to us in diagnosing or repairing a problem;
- (v) any Force Majeure Event (as defined below);
- (vi) shading from foliage that is new growth or is not kept trimmed to its appearance on the date the System was installed;
- (vii) any system failure or lost production not caused by a System defect (e.g., the System is not producing power because it has been removed to make roof repairs or you have required us to locate the inverter in a non-shaded area); and

- (viii) theft of the System (e.g., if the System is stolen we will replace the System per the Power Purchase Agreement, but we will not repay you for the power it did not produce).

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

THE LIMITED WARRANTIES DESCRIBED IN SECTIONS 2(a) and (c) ABOVE ARE THE ONLY EXPRESS WARRANTIES MADE BY SOLARCITY WITH RESPECT TO THE SYSTEM. SOLARCITY HEREBY DISCLAIMS, AND ANY BENEFICIARY OF THIS LIMITED WARRANTY HEREBY WAIVES, ANY WARRANTY WITH RESPECT TO ANY COST SAVINGS FROM USING THE SYSTEM.

3. SOLARCITY'S STANDARDS

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

4. SYSTEM REPAIR, RELOCATION OR REMOVAL

- (a) You agree that if (i) the System needs any repairs that are not the responsibility of SolarCity under this Limited Warranty, (ii) the system needs to be removed and reinstalled to facilitate remodeling of your Home or (iii) the system is being relocated to another home you own pursuant to the Power Purchase Agreement, you will have SolarCity, or another similarly qualified service provider, at your expense, perform such repairs, removal and reinstallation, or relocation on a time and materials basis.
- (b) If you want to return the System to SolarCity under Section 17 of the Power Purchase Agreement then SolarCity will remove the System at no cost to you. SolarCity will remove the posts, waterproof the post area and return the roof as close as is reasonably possible to its original condition before the System was installed (e.g. ordinary wear and tear and color variances due to manufacturing changes are excepted). SolarCity will warrant the waterproofing for one (1) year after it removes the System. You agree to reasonably cooperate with SolarCity in removing the System including providing necessary space, access and storage, and we will reasonably cooperate with you to schedule removal in a time and manner that minimizes inconvenience to you.

5. FORCE MAJEURE

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

- (a) SolarCity, as soon as is reasonably practical, gives you notice describing the Force Majeure Event;
- (b) SolarCity's suspension of its obligations is of no greater scope and of no longer duration than is required by the Force Majeure Event (i.e., when a Force Majeure Event is over, we will make repairs); and
- (c) No SolarCity obligation that arose before the Force Majeure Event that could and should have been fully performed before such Force Majeure Event is excused as a result of such Force Majeure Event.

"Force Majeure Event" means any event, condition or circumstance beyond the control of and not caused by SolarCity's fault or negligence. It shall include, without limitation, failure or interruption of the production, delivery or acceptance of power due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion;

fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; the binding order of any governmental authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any governmental authority (provided that such action has been timely requested and diligently pursued); unavailability of power from the utility grid, equipment, supplies or products (but not to the extent that any such availability of any of the foregoing results from SolarCity's failure to have exercised reasonable diligence); power or voltage surge caused by someone other than SolarCity including a grid supply voltage outside of the standard range specified by your utility; and failure of equipment not utilized by SolarCity or under its control.

6. LIMITATIONS ON LIABILITY**(a) No Consequential Damages**

YOU MAY ONLY RECOVER DIRECT DAMAGES INCLUDING THOSE AMOUNTS DUE PURSUANT TO SECTIONS 2(c) AND 6(c) UNDER THIS LIMITED WARRANTY, AND IN NO EVENT SHALL SOLARCITY OR ITS AGENTS OR SUBCONTRACTORS BE LIABLE TO YOU OR YOUR ASSIGNS FOR SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

(b) Limitation of Duration of Implied Warranties

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

(c) Limit of Liability

Notwithstanding any other provision of this Limited Warranty to the contrary, SolarCity's total liability arising out of relating to this Limited Warranty shall in no event:

- (i) For System Replacement: exceed the greater of (a) the sum of the Monthly Payments over the Term of the Power Purchase Agreement and (b) the original cost of the System; and
- (ii) For damages to your Home, Belongings and Property: exceed two million dollars (\$2,000,000).

7. NOTICES

All notices under this Limited Warranty shall be made in the same manner as set forth in the Power Purchase Agreement to the addresses listed below:

TO SOLARCITY:

SolarCity Corporation
3055 Clearview Way
San Mateo, CA 94402
Attention: Warranty Claims
Telephone: 650-638-1028
Facsimile: 650-638-1029
Email: contracts@solarcity.com

TO YOU:

At the billing address in the Power Purchase Agreement
or any subsequent billing address you give us.

8. ASSIGNMENT AND TRANSFER OF THIS LIMITED WARRANTY

SolarCity may assign its rights or obligations under this Limited Warranty to a third party without your consent, provided that any assignment of SolarCity's obligations under this Limited Warranty shall be to a party professionally and financially qualified to perform such obligation. This Limited Warranty protects only the person who hosts the System. Your rights and obligations under this Limited Warranty will be automatically transferred to any person who purchases the System from you or to whom you properly transfer the Power Purchase Agreement. This Limited Warranty contains the parties' entire agreement regarding the limited warranty of the System.

SOLARCITY CORPORATION

**POWER PURCHASE
AGREEMENT**

EXHIBIT 1 (CUSTOMER COPY)**NOTICE OF CANCELLATION****STATUTORILY-REQUIRED LANGUAGE****Notice of Cancellation**

Date of Transaction: The date you signed the Power Purchase Agreement.

You may cancel this transaction, without any penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller (SolarCity Corporation) 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 (SolarCity Corporation) 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 (SolarCity Corporation) regarding the return shipment of the goods at the seller's (SolarCity Corporation's) expense and risk. If you do make the goods available to the seller (SolarCity Corporation) and the seller (SolarCity Corporation) 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 (SolarCity Corporation), or if you agree to return the goods to the seller (SolarCity Corporation) 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 SolarCity Corporation, 3055 Clearview Way, San Mateo, CA 94402 not later than midnight of the date that is 3 business days from the date you signed the Power Purchase Agreement.

I, _____ [Name], hereby cancel this transaction on _____ [Date].

Owner's Signature:

Co-Owner's Signature:
