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CALIFORNIA
SOLAR CONSUMER PROTECTION GUIDE

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This guide provides important information to homeowners thinking of going solar.

PUTTING SOLAR ON YOUR HOME IS AN IMPORTANT FINANCIAL DECISION.

DON'T SIGN A CONTRACT UNTIL YOU READ THIS DOCUMENT!

This guide is from the California Public Utilities Commission (CPUC), a government agency that regulates privately-owned utilities like Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E).

PG&E, SCE, and SDG&E customers must initial and sign this guide to connect a residential solar system to the electric grid. The CPUC requires these companies to collect your signed copy of this guide to ensure that you know your rights and have enough information to make a decision. *(This requirement does not apply to solar thermal systems or solar systems in new home construction or multi-family buildings.)*

Guide Accessibility

- Audio recording available at 855-955-1535.
- Español, 中文, 한국어, Tiếng Việt, and Tagalog versions available at 866-849-8390.

You should understand and initial the first 4 pages and sign at the end of this guide before you sign a contract for a residential solar system.

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Watch Out for False Claims

Most solar providers are honest and fair. However, there are still some false claims you need to watch out for. Do not do business with a salesperson who makes one of these false claims.

False Claim	The Truth
You can get free solar energy at no cost to you.	**Solar energy is rarely free. An honest company will be upfront about all the costs you will pay over time.** There is one exception: a few government-funded solar programs offer free or low-cost solar to low-income households. Go directly to page 6 to see what government-approved organizations run these programs.
You will never pay an electricity bill ever again after a solar system is installed.	**After going solar, you will typically pay a small electricity bill every month and a larger electricity bill at the end of the 12-month cycle. See page 18 for an example.** Customers who take out a solar loan or sign a lease or power purchase agreement will also receive a monthly bill from a loan company or solar provider. If you use Property Assessed Clean Energy (PACE) financing, you will also make a payment once or twice a year with your property taxes or monthly with your mortgage payment.
Time is running out and you must quickly sign an electronic tablet to get solar.	**An honest salesperson would never rush you to sign anything without giving you time to review what you are signing.** California law requires that a salesperson show you the contract terms before you sign.

If you think you have been a victim of solar fraud, you may file a complaint against a contractor or home improvement salesperson to the Contractors State License Board (CSLB) at 800-321-CSLB (2752) or **www.cslb.ca.gov/consumers**.
To file a complaint against a financing company, visit **www.dfpi.ca.gov/file-a-complaint**.

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Know Your Rights

You have the right...

to read this entire 24-page guide before signing a contract.

The CPUC recommends that solar providers give out this guide during their first contact with potential customers. Do not feel pressured to read this guide while the salesperson waits. Ask them to come back at a later date to allow you time to read it.

If you are a PG&E, SCE, or SDG&E customer, a solar provider must give you time to read this guide before you sign a contract for solar. If they do not allow you to read this guide, they cannot connect your solar system to the electric grid, and you should report them to the to the Contractors State License Board (CSLB) at 800-321-CSLB (2751) or

to a copy of a solar contract and financing agreement in the language in which the salesperson spoke to you.

If a solar provider or salesperson comes to sell you solar panels and speaks to you in a language other than English, they must give you a copy of the contract in that language. Also, if you prefer to read this guide in Spanish, Chinese, Korean, Vietnamese, or Tagalog, the solar provider or salesperson must give you this guide in that language.

to a Solar Disclosure Document from your solar provider.

By law, a solar provider must provide you with a completed Solar Energy System Disclosure Document created by the Contractors State License Board (CSLB). This one-page document shows you the total costs for the solar energy system. A blank version of this document is available at www.cslb.ca.gov/consumers/solar_smart.

to a 3-day cancellation period after signing a contract.

You have at least three business days to cancel your contract for any reason. You may cancel the contract by emailing, mailing, faxing, or delivering a notice to your solar provider by midnight of the third business day after you received a signed, dated copy of the contract. Note that different rules may apply for contracts negotiated at a company's place of business.

If your solar provider refuses to cancel the contract, report them to the CSLB at 800-321-CSLB (2751) or www.cslb.ca.gov/consumers.

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Ask Solar Providers These Initial Questions

Before You Sign A Contract

What is your Contractors State License Board (CSLB) license or registration number?

Ask for the solar provider's CSLB license number. If you were contacted by a telephone or door-to-door salesperson, ask for their individual home improvement salesperson (HIS) registration number, too. Then check the license and, if applicable, HIS registration numbers to make sure they are valid and associated with the solar provider by going to **www.cslb.ca.gov/consumers** or calling 800-321-CSLB (2752).

- CSLB License Number is: CA#1033658
- (If applicable) HIS Registration Number is: 1295601

The CSLB license must be active and in classification C-46 (Solar Contractor), C-10 (Electrical Contractor), or B (General Building Contractor) in order to be valid. If your solar provider does not have a valid contractor license, do not sign a contract with them and report them to the CSLB.

What is the total cost of the solar energy system?

If you are considering a solar loan, lease, or power purchase agreement, also ask:

- Is there a down payment?
- How much will I pay per month? When will these payments increase and by how much?

If you are considering PACE financing, also ask:

- How much will I pay once or twice a year with my property taxes or monthly with my mortgage?
- How many years will I pay this amount?

If I sell my home, what are my options and what do I need to do?

Ask your solar provider, lender, or PACE program administrator to show you where in the contract it describes what happens when you sell your home.

Make sure to **get bids from at least 3** different solarproviders. See page 9 for more details.

OK, I read these 4 pages. Now what?

- For other important questions to ask a solar provider ***before*** you sign a contract, go to page 10 of this guide.
- If you already understand the information listed in the table of contents and are getting ready to sign a contract, you can skip to the "Before You Sign" checklist, on page 22 of this guide.
- For a step-by-step guide for how to go solar, proceed to the next page. This is recommended, even if you've already started the solar process!

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STEP 1:
Is Solar a Good Fit for Me?

Solar photovoltaic panels can capture sunlight on your roof or property and convert it into electricity. This electricity powers the needs of your home, such as lights, electric vehicles, and appliances.



Before you consider getting solar at your home, ask yourself:

Have I made my home energy efficient first?

Reducing your energy use can reduce the size of the solar system you need, potentially saving you thousands of dollars. Visit www.energyupgradeca.org/home-energy-efficiency and/or contact your electricity provider for energy efficiency tips and advice on how to get a home energy assessment. You may also want to ask your electricity provider about residential demand response programs.

Do I qualify for low-income solar programs?

If you think you might qualify for a low-income solar program, be sure to read page 6. There are residential solar and community solar programs available for qualifying low-income PG&E, SCE, and SDG&E customers that could save you money with no financial contribution.

Is my roof suitable for rooftop solar?

- Does my roof receive a good amount of sunlight or is it mostly shaded? What direction does the roof face? Roofs that are mostly shaded or face due north are not good candidates for solar. If you plan to replace your roof soon, you should replace it before installing a rooftop solar system.
- If your roof is heavily shaded or isn't in great condition, or if you are a renter, community solar programs could be a good fit for you. With community solar, you receive 50-100 percent of your electricity from solar projects located across California. Community solar programs vary and may increase your electricity bill or provide an electricity bill savings. Contact your electricity provider for more information

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Low-Income Solar Programs

Available to PG&E, SCE, and SDG&E Customers

If you currently receive or qualify for a discounted electricity bill through the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) program, you may qualify for assistance installing solar at low or no cost using one of the programs to the right.

You may also qualify for one of these programs if you live in a disadvantaged community (DAC).

A DAC is a neighborhood vulnerable to multiple sources of pollution.

To find out if you live in a qualified DAC, check out the map: www.cpuc.ca.gov/solarindacs.

If you are not a PG&E, SCE, or SDG&E customer, call your electricity provider or check their website to see if any low-income solar options are available to you.

SASH Program & DAC-SASH Program

The SASH Program provides discounted rooftop solar for income-qualified single families. If you qualify, your family can get assistance installing solar at low cost. The DAC-SASH program is designed for CARE- or FERA- eligible single-family homeowners who live in a DAC. If you qualify, your family can get assistance installing solar. GRID Alternatives administers the SASH and DAC-SASH programs.

See if you qualify by visiting www.gridalternatives.org/qualify **or by calling GRID Alternatives at 866-921-4696.**

DAC-Green Tariff Program

The DAC-Green Tariff Program is designed for eligible households that live in a DAC. Participants can have 100 percent of their electricity offset by solar generation and receive a 20 percent discount on their electricity bills. In this program, you do not have to install solar on your roof. The solar is installed elsewhere and the bill credits are assigned to you.

See www.cpuc.ca.gov/solarindacs **for more information on eligibility and how to sign up.**

Community Solar Green Tariff Program

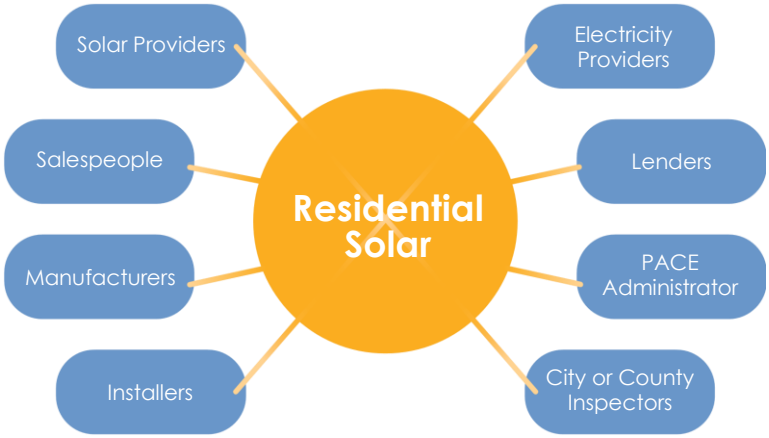
The Community Solar Green Tariff Program allows households in a disadvantaged community to subscribe to a solar farm within 5 miles of their neighborhood and receive a 20 percent discount on their electricity bills.

See www.cpuc.ca.gov/solarindacs **for more information on eligibility and how to sign up.**

PACE financing is not a "free government program." If someone describes it this way to you, please read about false claims on page 2 of this guide. You can learn about PACE financing on page 14.

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STEP 2:
Understand Roles and Solar Process



Solar Providers
Solar providers are the companies that sell you solar and send installers to your home. Sometimes they provide financing. They must be licensed. See page 4.

Salespeople
Salespeople work for solar providers and may call you or knock on your door. They must be registered, with some limited exceptions. Ask for their "home improvement salesperson (HIS) registration" and check it at 800-321-CSLB (2752) or **www.cslb.ca.gov/consumers**.

Installers
Installers are sent by solar providers to your home to check roof, ground and electric conditions and to install the solar system. They must be licensed like a solar provider. See page 4.

Manufacturers
Manufacturers are the companies that make solar equipment. They provide most solar warranties for purchased systems.

Electricity Providers
Electricity providers interconnect your solar system to the electric grid and send you electricity bills that may include solar bill credits.

Lenders
Lenders provide you with financing if you have a solar loan.

PACE Program Administrators
Except for a few governmental PACE programs, PACE financing programs are managed by PACE program administrators, which must be licensed. Check their license at www.dfpi.ca.gov/pace-program-administrators.

PACE Solicitors and PACE Solicitor Agents
PACE solicitors are organizations, such as contractor companies; and PACE solicitor agents are individuals, such as home improvement salespersons. They are authorized by PACE program administrators to solicit property owners to enter into PACE financing agreements. Check their enrollment with a PACE program administrator at www.dfpi.ca.gov/pace-program-administrators.

City/County Inspectors
City/county inspectors come to your home to make sure the system is up to code to ensure your health and safety.

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Overview of a Typical Rooftop Solar Process

Before You Sign a Contract

You	decide if rooftop solar is a good fit for you (see page 5)
You	get a home energy assessment to make your home more energy efficient (see page 5)
You	look at low-income solar programs to see if you qualify (see page 6)
You	research solar providers and compare at least 3 bids (see page 9)
Solar Provider	provides you with contract and Solar Energy System Disclosure Document (see page 9)
You	qualify for financing, if needed (see page 12)
Lender/PACE Program Administrator	writes up financing agreement (if needed)
You	review solar contract, Solar Energy System Disclosure Document, and any financing agreement (see page 19)
You	go through checklist on page 22 of this Solar Consumer Protection Guide
You	sign this guide, the solar contract, and the financing agreement

After You Sign A Contract

Installer	performs a home site visit to confirm assumptions and check roof, ground, and electric conditions
Solar Provider	finalizes system design and applies for building permit with city or county agency
Installer	installs the solar system (only after receiving city/county permit)
City/County Inspector	inspects system for building permit compliance when applicable
Solar Provider	submits application to electricity provider to interconnect solar system to grid
Solar Provider	submits city/county inspection approval to electricity provider
You	turn on system only after receiving written approval from electricity provider
Electricity Provider	sends you your first electricity bill with solar/net energy metering credits (see page 17)
Lender/Solar Provider	sends you first bill for solar system or solar energy*

*If you use PACE financing, you will not receive a bill from a lender or solar provider (the last step above). Instead, your payments will be due once or twice a year with your property taxes or monthly with your mortgage payment.



It typically takes 1 to 3 months after you sign a contract for the solar system to be installed at your home.

After the solar system is installed, it typically takes 2 to 3 weeks to receive approval from your electricity provider to turn your system on. It could take longer depending on your circumstances.

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STEP 3:
Find a Qualified Solar Provider

For low-income solar programs, go to page 6.

Find Solar Providers that Serve Your Neighborhood

Go to www.cslb.ca.gov, a government website, and click on "Find My Licensed Contractor." Enter your city and one of the following license classifications: C-46 (Solar Contractor), C-10 (Electrical Contractor), or B (General Building Contractor).

Go to www.californiadgstats.ca.gov, a government-funded website, to enter your ZIP code and see a list of solar providers and recent installation costs. Note that these costs are not verified by the government.

Check to see if your county has a County Contractors Association with licensed solar providers.

Ask friends and neighbors who had solar installed at least a year ago if they recommend a solar provider and why.

Narrow Down the List to Qualified Solar Providers

First, make sure solar providers you consider have a valid license from the CSLB. It is illegal for solar providers and their installers to conduct business without a license.

- Go to the Contractors State License Board (CSLB) website at www.cslb.ca.gov/consumers or call 800-321-CSLB (2752) to see if the solar provider and installer licenses are active and valid. The licenses must be in the classification C-46 (Solar Contractor), C-10 (Electrical Contractor), or B (General Building Contractor).

Find out how long the company has been in business and how many installations they have done.

Check out trusted customer review websites online. Since some websites may not be neutral, check a few different websites to make sure reviews are consistent.

It's a good sign if companies employ installers certified by the North American Board of Certified Energy Practitioners (NABCEP), a high standard in the industry.

Get Bids From At Least 3 Qualified Solar Providers, Compare Bids, and Ask Questions

After you narrow down the list of solar providers, ask for a bid or price quote.

- Look up how to compare solar quotes online, and compare the bids you have obtained.
- Note that the cheapest bid is not necessarily the best option for you. A very low bid may indicate that a solar provider is trying to cut corners.

The CPUC recommends that solar providers give out this guide during their first contact with potential customers. Don't hesitate to ask solar providers a lot of questions up front. A qualified company will be happy to answer all of them. A sample list of questions is on the next page.

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Questions to Ask a Solar Provider

Before You Sign a Contract

Company Background

What is your company's contractor license number from the Contractors State License Board (CSLB)?
What is your installer's contractor license number?

Is the salesperson an employee of your company?

Will you subcontract with another company to install the solar system? If so, what is their CSLB
contractor license number?

How long have you been in business and how many systems have you installed?

Can you provide me with three customer references to call or visit? These customers should have solar
installed for at least a year.

Design & Roof

Is my roof a good candidate for solar? Why?

Does my roof need to be replaced before installing solar panels?

- If yes, how much will that cost, who will do it, what is their license number, and is there a roof warranty?

Why did you choose this specific design and size for the solar system you are recommending to me?

- Note that a system sized to cover all of your electricity needs isn't necessarily the best investment. Typically, a system is sized to around 80-85 percent of your electricity use from the previous year.

What steps will you take to ensure my roof won't leak?

Roughly how much will it cost to remove and re-install the panels if I need to replace my roof in the
future, including inspection fees?

Warranties & Performance Of Solar System

Are there warranties for the panels and inverters?

- If yes, how long do they last and whom do I contact to replace these components?
- If equipment such as the inverter fails after the warranty period, how much will it cost to replace?

Are there warranties for labor/construction?

Are repairs and maintenance included in the contract? If yes, who should I contact for repairs?

Will I be able to monitor the performance of the system once it's installed? If so, how?

Does the solar provider offer a minimum energy guarantee (common with leases and power purchase agreements)?

- If yes, how will I be compensated if the system does not produce as much energy as promised in the contract?

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Is there an insurance policy that comes with the solar system, or do I need to take out additional homeowner's insurance? Note that this is especially important if you live in fire-prone areas.

What are my obligations in the contract if my solar system stops working due to a disaster like an earthquake or a fire?

Who has the right to claim the environmental benefits of the power generated by my system?
(See "Getting Environmental Credit for Going Green" on page 18).



Electricity Bill Savings Estimates (see page 17)



Please beware of a solar provider who tells you solar is free–it is not.
See page 2 for more information on false claims.

Will you explain to me why an electricity bill savings estimate is not a guarantee?

What electricity provider bill escalation rate is assumed in your electricity bill savings estimate?
- Note that the CPUC has capped this escalation rate assumption at 4 percent per year.

What electricity rate plan do you recommend I switch to for solar, and why?
- How long will I be on that rate plan, and how can I compare or change rate plans on my electricity provider's website?
- Note that each electricity provider has a rate plan comparison tool or page on its website.

Even though I will continue to pay electricity bills after going solar, I can receive solar bill credits on my electricity bill. How does that work?

Is there an option to pay my electricity bills monthly instead of annually, so the costs are more even throughout the year? How do I sign up?

Does my electricity provider offer special rates for solar customers?



Impacts On Future Sale Of Your Home

Will a solar system make it more difficult for me to sell my home or refinance?

For leases, power purchase agreements (PPA), and PACE-financed systems:
- What happens if the home buyer doesn't want the solar system or doesn't qualify to take on my lease, PPA, or PACE-financed system?
- Are there fees if I need to terminate the contract early to sell my house?
- Are there fees for transferring the lease, PPA, or PACE financing to a new homeowner?



Timeline (see page 8)

When do you propose to start and finish installing solar on my roof?

After installation is complete, roughly how long will it take for my electricity provider to send me written approval to turn my system on?

What situations would allow me to be released from a contract?



For questions about financing, read the next section!

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STEP 4:
Compare Your Financing Options

The most common solar financing options are:

- Purchase of a solar system with a solar loan or cash. With a purchase, you own the system.
- Property Assessed Clean Energy (PACE) financing of the upfront costs of a solar system, which you pay back on your property tax bill. With PACE financing, you own the system.
- Lease of a solar system, in which the solar provider owns the system and "rents" it to you for a scheduled monthly payment over a set number of years.
- Power purchase agreements (PPA), in which the solar provider owns the solar system and sells you the electricity it generates for a certain price over a set number of years.

The next few pages contain a quick look at each option's pros and cons, and then a closer look at each.

	Pros	Cons
Purchase with Cash or Loan	Typically greater return on investment. If you use a loan, little or no upfront costs. May increase value of home. You can directly receive tax credits and deductions. Consult tax professional to see if you qualify.	You are typically responsible for repairs and maintenance. This may involve contacting different manufacturers, who could go out of business during the 10-20 year component lifecycles. Some solar loans place a lien on your property. In those cases, if you do not make your payments, this could result in foreclosure or make it more difficult to sell your home or refinance your mortgage.
PACE Financing	Little or no upfront costs. May have a longer repayment period than typical home improvement loan, which may be preferable. You can directly receive tax credits and deductions. Consult tax professional to see if you qualify.	PACE financing results in a first-priority lien on your property. Your bank may require you to pay off the PACE assessment prior to refinancing. If you do not make your PACE payments, this could result in foreclosure or make it more difficult to sell your home or refinance your mortgage. You are typically responsible for repairs and maintenance. This may involve contacting different manufacturers, who could go out of business during the 10-20 year component lifecycles.
Lease and PPA	Little or no upfront costs. Solar provider is responsible for all monitoring, maintenance, and repairs. Minimum energy production often guaranteed.	Selling home may be more complicated than with a purchased system. Options typically are: the new owner must agree to take on the lease/agreement, you continue making payments, or you buy out the lease/agreement, which could be thousands of dollars. Solar provider could go out of business during the contract period.

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A Closer Look at Purchase (with cash or loan)

You can purchase a solar system from a solar provider or manufacturer with a solar loan or cash. In this approach, you own the installed system. Types of loans include:

- **Secured loans:** these require an asset that will serve as collateral for the loan – often that asset is your solar system.
- **Unsecured loans:** these do not require any collateral, similar to

a credit card. A secured loan is often preferred because it typically has

lower interest rates.

Many solar providers work with lenders that offer solar loans, but you should check with banks and credit unions as well. Compare offers to make sure you are being offered a reasonable interest rate.

If you install and own a solar system by the end of 2020, there is a 26 percent federal income tax credit (ITC) available. Under current law, the federal ITC is scheduled to drop to 22 percent for systems installed in 2021 and then 0 percent for systems installed after 2021. If you have questions about the ITC or whether a loan is tax deductible, speak to a Certified Public Accountant (CPA) for tax advice.

Unless you purchase a maintenance plan or your system comes with one, you will be responsible for any maintenance and repairs. Make sure you save the equipment warranties, particularly for the inverter, which may need to be replaced sooner than other equipment. If you sell your home, look for real estate agents and appraisers with experience selling homes with solar. You may include the system in the house sale just like any other major home component.

Questions to Ask a Lender About the Purchase of a Solar System with a Loan:

What is the total cost of the loan over the entire course of the contract?

How much will I pay up front, how much over time, and for how long?

What is my interest rate?
What is my annual percentage rate ("APR")?

Whom do I contact if I have questions about my loan payments?

Will a solar loan make it more difficult for me to sell or refinance my home? Will I need to buy out my loan? Whom do I contact?

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A Closer Look at PACE (Property Assessed Clean Energy)

PACE is a financing option that is available in some areas of California. In most places, it is sold through PACE solicitors and solicitor agents who are required to be enrolled with a PACE program administrator. In a PACE financing arrangement, a PACE program administrator finances the upfront costs of a solar system, which you then pay through an assessment on your property tax bill. With PACE financing, you own the solar system. You should read and review the terms carefully, and if necessary, consult with a tax professional or attorney.

PACE financing lasts for a fixed term, typically around 10-30 years, and it is attached to your house. If you sell your house before you have fully paid the PACE assessment, the buyer may require you to pay off the remaining balance of the assessment, which could be thousands of dollars. Some mortgage lenders will not loan money to buyers to purchase properties with PACE liens unless the full assessment is paid.

Unlike leases and power purchase agreements that require monthly payments, PACE assessments are typically due once or twice a year, in larger lump sums, with your property taxes. Given this unique arrangement, it's important to understand how much you will owe and when, so that you can set aside enough money throughout the year to cover the amount.

If your house is mortgaged and you typically pay your taxes with an escrow or impound account, your mortgage company may increase the amount you pay monthly to cover the anticipated increase to your property tax bill. Discuss how PACE will affect your monthly mortgage payment before you sign an agreement.

Be aware that if you fail to make your PACE payments included with your property taxes or mortgage, your home could be put in foreclosure.

Questions to Ask a PACE Program Administrator About a PACE-Financed System:

What is your PACE program administrator license number?
(Check the license at www.dfpi.ca.gov/pace-program-administrators)

Is the PACE solicitor or PACE solicitor agent I talked to enrolled with you? (Check their enrollment with the PACE program administrator at www.dfpi.ca.gov/pace-program-administrators)

What is the total cost of the financing over the entire course of the contract?

How much will I owe for PACE financing when I pay my mortgage or property taxes?

How many times a year will I owe this PACE payment?

What happens if I want to sell or refinance my home? Will selling or refinancing be more difficult with PACE financing? Is there anything I have to do with the mortgage company?

What are the penalties for failing to pay the assessment on time?

Whom do I contact if I have problems making my PACE payments?

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A Closer Look at Lease & PPA

(Power Purchase Agreement)

With a lease, the solar provider owns the system on your property and "rents" it to you for a set period of time. A solar provider will install the solar system on your home, and you will make scheduled monthly payments in exchange for all the electricity the system produces. A typical lease contract period is 20-25 years.

In a power purchase agreement (PPA), the solar provider owns the system on your property and sells you the electricity it generates. PPAs are similar to leases, except that instead of making
a fixed monthly payment for the system, you typically pay for all the power the solar system generates (a fixed per-kilowatt-hour rate). The contract will specify the kilowatt-hour rate you pay in the first year and every year after that. This rate should generally be lower than your current electricity rate. A typical PPA contract period is 20-25 years.

- If you sell your house before the lease or PPA contract is over, you will have to pay the solar provider the remainder of the value of the lease or PPA or transfer the contract to the new property owner. Make sure you understand the specific contract terms, since buying out a lease or PPA can cost thousands of dollars.
- Payments for leases or PPAs will typically increase by a specified amount every year based on an "escalation clause" or "escalator." Escalators are typically in the range of a 1 percent to 3 percent increase above the rate you paid in the previous year. Be cautious of entering into a contract with an escalator higher than that.
- There may be different ways to arrange leases and PPAs, such as paying more up front to reduce your monthly payments.

Questions to Ask a Lender or Solar Provider About a Lease or PPA

What is the total cost of the solar system or solar energy over the entire course of the contract?

How much will I pay up front, how much over time, and for how long?

Will my payments increase over time? How much will they increase, and how frequently?

Is there an option to make a down payment to reduce my monthly payments (for a lease) or kilowatt-hour rate (for a PPA)?

What happens if I wish to end the lease or PPA early?

If I end my agreement early, will I owe a balloon payment and/or an early termination fee? If so, how much will I owe?

Will a lease or PPA make it more difficult for me to sell or refinance my home?

Who will be responsible for monitoring, operations, and maintenance of the solar system?

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STEP 5:
Learn About Electricity Bill Savings

Electricity Bill Savings Estimates Do Not Guarantee Savings

Electricity bill savings estimates are educated guesses about how much you could save with rooftop solar. They are based on several uncertain factors. Here are some reasons why it's possible that your savings could be lower than the estimate:

Your future energy use is uncertain. For example, if your family grows, you buy an electric vehicle, or you decide to turn up your air conditioning in the summer, your energy use will go up.

If you sell your home, you could incur additional costs. For example, if a buyer doesn't want to take on a lease or PPA, you might have to buy out the contract, which could be thousands of dollars.

Electricity prices and rates can change over time. Electricity bill savings estimates typically assume they will escalate, or rise, by a certain percentage each year (the CPUC has capped the assumed escalation rate at 4 percent for these estimates). Also, your electricity provider may require you to switch to a different rate plan in the future, which could change how much you save.

Your solar system might perform slightly worse than the estimate assumed. For example, if your area is unusually dusty, the system could generate slightly less energy than estimated.



Before you sign a contract, ask yourself: if the savings end up being lower than the estimated monthly or yearly savings, does getting rooftop solar still make sense to me?

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How Electricity Bill Savings Work

If you go solar, your electricity provider will enroll you in its Net Energy Metering (NEM) program. NEM allows you to get a financial credit on your electricity bill when your solar system sends electricity back to the grid after first powering the electricity needs at your house. Usually this credit is approximately equal to the retail rate of energy. This means that you are credited on your bill about the same amount that your electricity provider would have charged you for electricity during that time.

NEM and Your Electricity Bill

Consuming and Exporting Electricity

Since the sun isn't always shining, solar customers also rely on electricity from their electricity provider. After your solar system is interconnected to the grid, your monthly electricity bill will summarize how much electricity you took in or "consumed," from your electricity provider, and how much electricity your solar system sent to the grid or "exported."

Monthly Bill Charges, Credits, and Minimum Amounts

If you took in more than you sent out to the grid in any given month, you will see an overall charge on your bill. If you sent out more than you took in, you will see an overall credit. Typically, you will be able to carry forward credits to the next month's bill, and electricity usage charges will not be due until the end of a 12-month period. Note that many electricity providers require solar customers to pay a monthly minimum bill each month just like other customers. This minimum bill may change over time.

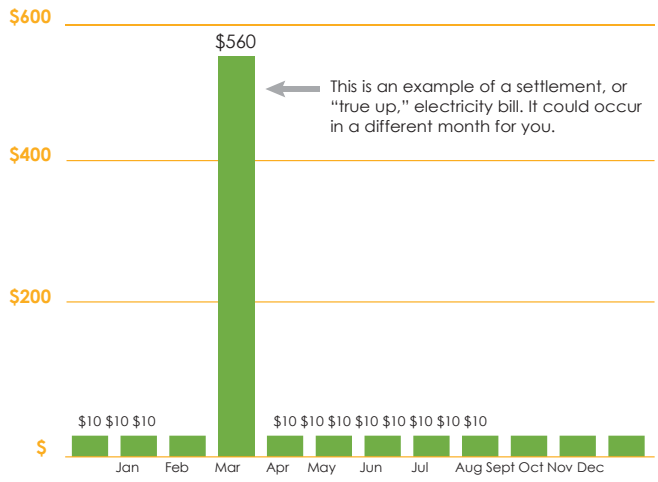
Time-of-Use Rates

PG&E, SCE, and SDG&E solar customers are required to go on a time-of-use (TOU) rate plan. A TOU rate plan will charge different prices for electricity depending up on the time of day. Prices are typically higher between 4 p.m. and 9 p.m., called "peak" hours, and lower the rest of the day and at night during "off peak" hours.

12 Month Settlement Bill

Typically, at the end of a 12-month period, you will receive a settlement bill, also called a "true up" bill, that settles all the credits and charges. Even though going solar can reduce your electricity costs, most customers still owe some money to their electricity provider at the end of the 12 months. See graphic to the right that shows an example of an electricity bill over a 12-month cycle for a solar customer.

Example Of A Settlement, Or "True Up" Electricity Bill



Some electricity providers give you the option to pay your settlement bill monthly instead of annually. If you choose the monthly option, your payments will be more evenly distributed over the course of the 12 months, and you will not have to worry about paying a potentially large bill once a year. Be clear with your solar provider if you want the monthly option, and double-check with your electricity provider that the correct option was chosen.

Though it's rare, if you sent out more electricity than you took in over the course of the 12-month period, you are typically eligible to be paid "net surplus compensation," which is around 2 to 3 cents per kilowatt-hour. Because this rate is lower than the retail rate, it is generally not in your financial interest to install a solar system that produces more energy than you would use over the course of a year.

Currently, PG&E, SCE, and SDG&E customers are guaranteed NEM for 20 years from the time their solar system starts operating. Your electricity rate, however, is subject to change. Go to **www.cpuc.ca.gov/electricrates** for more details on how electricity rates work.

If you still have questions after reading this section, you can find help at the additional resources on pages 20-21 of this guide.

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Getting Environmental Credit for Going Green

When a residential solar system produces electricity, the system is eligible to receive Renewable Energy Certificates (REC), which represent the renewable energy that is generated. If you purchase a solar system, you own the rights to these RECs and can make the claim that you're producing clean energy and avoiding emissions of greenhouse gases by going solar. However, if you enter a lease or PPA, the contract may state that the solar provider or someone else owns the RECs. If you do not own the RECs, they can be sold without your knowledge to other customers who use them to make environmental claims or comply with clean energy requirements. And with PACE financing, a local jurisdiction may own the RECs. If owning the RECs is important to you, ask your solar provider who will own the RECs, and check the contract fine print.





Combining Solar with Storage

When you install battery storage with your solar system, you can store excess solar electricity produced by your panels for use in the evening when the sun goes down. The software that comes with battery storage automatically determines whether to store the extra energy or export it to the grid to maximize cost savings. Battery storage can also provide limited back-up power.

The state-funded Self-Generation Incentive Program (SGIP) provides financial incentives to install storage. See **www.cpuc.ca.gov/sgip** for more details on SGIP.

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STEP 6: Carefully Read All Paperwork

The Solar Energy System Disclosure Document

This one-page document from the Contractors State License Board shows you the total costs for the proposed solar energy system. It also has information about your three- or five-day right to cancel a contract. A solar provider is required to fill out this document. It may be placed as the cover page to the contract. See a blank version at www.cslb.ca.gov/consumers/solar_smart.

Contract

The solar contract is the legally binding document between you and the solar provider. Make sure to read it carefully.

Make sure everything you were promised is written in the contract. For example, many answers to the questions on pages 10 and 11 of this guide should be referenced in the contract.

By law, any contract for solar installation must include:

- Contractor information, including business address and license numbers
- Description of the project, including equipment installed and materials used
- Contract price, plus finance charge and/or down payment if applicable
- Approximate start and end date of the contract term
- Notice of a 3- or 5-day right to cancel the contract (with limited exceptions)

Ask the solar provider what situations would allow you to be released from the contract. For example, if your solar provider discovers on a site visit that your roof is shaded in a way that wasn't expected, that could cancel the contract.

Financial Paperwork

If you are purchasing a system with a solar loan, you will be asked to sign a separate financing agreement. The lender will provide you with this separate agreement.

If you are purchasing a system with PACE financing, you must sign: (1) a Financing Application and, (2) a Financing Agreement.

- Before you sign the Financing Application, read it carefully to make sure all the information is correct, including your contact information, your income, and the cost of the solar energy system.
- The separate financing agreement may be provided by the solar provider, the PACE program administrator, or a financing institution. If you are using PACE financing, it should include a PACE Financing Estimate and Disclosure form showing the solar system's total cost. A link to a blank version of this document is available at www.cslb.ca.gov/consumers/solar_smart.

Make sure everything you were promised is written into any financing agreement. For example, many answers to the questions on pages 13 – 15 of this guide should be referenced in the financing agreement.

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STEP 7:
Review Additional Resources

If you still have questions about any aspect of going solar, find resources in the list below where you can read or watch additional information, or call someone to advise you.

Electricity Provider Solar Programs

Pacific Gas and Electric (PG&E)

- PG&E solar customer service: 877-743-4112
- PG&E clean energy: www.pge.com/en_US/residential/solar-and-vehicles/options/option-overview/how-to-get-started/how-to-get-started.page

Southern California Edison (SCE)

- SCE solar phone number: 866-600-6290
- SCE solar power at home: www.sce.com/residential/generating-your-own-power/solar- power

San Diego Gas & Electric (SDG&E)

- SDG&E solar phone number: 800-411-SDGE (7343)
- SDG&E get started with solar: www.sdge.com/residential/solar/getting-started-with-solar

If another electricity provider supplies you with electricity, call them or check their website for details on their solar programs.

Low-Income Solar Programs

- SASH and DAC-SASH program: 866-921-4696 and www.gridalternatives.org/qualify
- Community Solar Green Tariff program and DAC Green Tariff program: www.cpuc.ca.gov/ solarindacs

If you are not a PG&E, SCE, or SDG&E customer, contact your electricity provider for low-income solar options.

Contractors State License Board (CSLB)

- CSLB 24-hour licensing and consumer information: 800-321-CSLB (2752)
- Check a contractor license or home improvement salesperson registration: www.cslb.ca.gov/ onlineservices/checklicenseii/checklicense.aspx
- CSLB solar smart: www.cslb.ca.gov/consumers/solar_smart
- PACE Financing Estimate and Disclosure form and CSLB Solar Energy System Disclosure document: www.cslb.ca.gov/consumers/solar_smart

Links with this icon have a resource available in video format.

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Department of Business Oversight (DBO)

- PACE financing information: www.dfpi.ca.gov/pace
- Financial services: 213-576-7690; pacehelp@dbo.ca.gov
- PACE program administrator license check: www.dfpi.ca.gov/pace-program-administrators
- Filing a complaint against a PACE provider: www.dbo.ca.gov/file-a-complaint

Solar Bills and Net Energy Metering (NEM)

- PG&E how to read your solar bill: www.pge.com/en_US/residential/solar-and-vehicles/green-energy-incentives/solar-and-renewable-metering-and-billing/how-to-read-your-bill/how-to-read-your-bill.page
- SCE understanding your bill: www.sce.com/residential/generating-your-own-power/net- energy-metering/understanding-your-bill
- SDG&E understanding your NEM statement: www.sdge.com/residential/savings-center/ solar-power-renewable-energy/net-energy-metering/billing-information/understanding- your-nem-statement
- CPUC NEM overview: www.cpuc.ca.gov/nem

Solar Financing Guides

- Clean Energy States Alliance (CESA) homeowner's guide to solar financing: www.cesa.org/ resource-library/resource/a-homeowners-guide-to-solar-financing-leases-loans-and-ppas
- CESA una guía práctica de financiación solar para dueños de casa (en Español): www.cesa. org/resource-library/resource/una-guia-practica-de-financiacion-solar-para-duenos-de-casa
- CESA/George Washington University rooftop solar financing 101: www.cesa.org/projects/ sustainable-solar/videos

Other Solar Guides

- Solar Energy Industries Association (SEIA) Residential Consumer Guide to Solar Power: www.seia.org/research-resources/residential-consumer-guide-solar-power
- Interstate Renewable Energy Council (IREC) Be Solar Smart Consumer Checklist: www.irecusa.org/consumer-protection/consumer-checklist
- CESA/George Washington University Choosing a Solar Installer: https://cesa.org/projects/ sustainable-solar/videos

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STEP 8: "Before You Sign"

Make sure you have completed these items before you sign any documents!

Remember, take your time and don't feel pressured to sign a contract. Do not sign anything if you feel you need more time to do research or think about your decision.

- Check to see if you qualify for a low-income solar program, which has strong protections for consumers. See page 6.
- Consider making your home more energy efficient before getting solar. This could save you money. See page 5.
- Get at least 3 bids for solar at your home. See page 9.
- Ask the solar provider for 3 customer references and call or visit them. See page 9.
- Check to make sure the solar provider's license, and if applicable, the home improvement salesperson's registration number, is current and valid with the Contractors State License Board. See page 4.
- Understand the solar purchasing process, including what happens after you sign a contract for solar. See page 8.
- Ask the solar provider the contract questions on page 4, 10, and 11 so you understand the terms of the solar contract.
- If you are financing your system, ask the lender, solar provider, or PACE program administrator the finance questions on page 13, 14 or 15, so you understand the terms of your financing arrangement.
- Read the critical information about electricity bill savings estimates on page 16.
- Carefully read all the documents that the solar provider is asking you to sign. These usually include:
  1) Solar Energy System Disclosure Document, 2) Contract, and 3) Financial Paperwork. See page 19.
- Save copies of all the documents you sign. The information will be useful if you sell your home, need to replace your roof, or have any repair or maintenance issues.



Links with this icon have a resource available in video format.

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STEP 9: Sign This Guide

January 2021

Have you read at least the first 4 pages of this guide?

The first 4 pages of the California Solar Consumer Protection Guide contain important information on false claims to watch out for and your rights.

The CPUC recommends that solar providers* give out this guide during their first contact with potential customers, so customers may fully understand what a solar purchase involves. If a solar provider gave you this guide along with your contract, the CPUC recommends that you take at least 48 hours to read and understand this entire guide before you sign below.

Do not feel pressured to read the complete document while the salesperson waits.

Ask them to come back at a later date to allow you time to read it.

Customer

I have not yet entered into a contract for solar with the solar provider signing on page 24.

The solar provider provided me with a complete copy of the Solar Consumer Protection Guide before they collected my initials and signature below.

The solar provider gave me the opportunity to read this guide in Español, 中文, 한국어, Tiếng Việt, or Tagalog if they spoke to me in one of those languages.

I read and initialed the first 4 pages of California's Solar Consumer Protection Guide. The solar provider gave me the time to read the entire 24-page guide.

I was provided an option to sign the Solar Consumer Protection Guide electronically or in handwriting.

If I was solicited as part of a door-to-door sale, the solar provider offered me the option to sign the Solar Consumer Protection Guide with a handwritten signature by default. I was also given the option to sign with an electronic signature.

If I was solicited as part of a door-to-door sale and did not expressly request an electronic format, a complete copy of the Solar Consumer Protection Guide was provided in paper format.

If I choose to sign the Solar Consumer Protection Guide electronically, I am using an email address that was created and is controlled by me prior to the sale, lease, or power purchase agreement.

Dymtry Lewis
Customer Printed Name

1/24/2022
Date

DocuSigned by:
BDD7F66AA2A1406...
Customer Signature

continued on page 24

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STEP 9: Sign This Guide *continued from page 23*

Solar Provider*

DS JD

The customer initialed the first 4 pages of the guide.

DS JD

The customer signed above before entering into a contract for the purchase, lease, power purchase agreement, or PACE financing of a solar system or solar energy with the company named below.

DS JD

The sales presentation to this customer was principally conducted in this language: English

Johnathan Dobson	11/23/2021
Company Representative Name/Title	Date
DocuSigned by: Johnathan Dobson 7CC6B8ACD4C9482...	888-488-8001
Company Representative Signature	Company Phone
Penguin Home Solutions Inc	JohnathanD@penguin1.com
Company Name	Company Email
CA#1033658	
Company CSLB License Number	Company CSLB License Classification

*A solar provider is defined in California Public Utilities Commissioner Decision (D.) 18-09-044 as a vendor, contractor, installer, or financing entity that enters into a contract for a power purchase agreement, lease, or purchased solar system. Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E) require solar providers to upload a signed copy of this page with a signature to their interconnection portals before interconnecting residential customers in single-family homes to the electric grid. This requirement does not apply to new home construction, multifamily buildings, or solar thermal systems.

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SolKraft, Inc. | Residential Power Purchase Agreement

Here are the key terms of your SolKraft, Inc. Power Purchase Agreement

Prepayment (if any)	**$0**
Down Payment (if any)	**$0**
First Year Electricity Rate per kWh	**$0.169**
Annual Electricity Rate Escalator	**0.0%**
Estimated Total System Production during the Initial Term	**268,264 kWh**
Agreement Term	**25.00 years**

SolKraft, Inc. Promises to You

- We insure, maintain, and repair the System (including the inverter) at no additional cost to you, as specified in the agreement.
- We provide 24/7 web accessible monitoring at no additional cost to you, as specified in the agreement.
- We warranty your roof against leaks and restore your roof at the end of the agreement, as specified in the agreement.
- The rate you pay us for electricity during the Initial Term, exclusive of taxes, will never increase by more than 2.9% per year.

Homeowner's Name & Service Address, Email, Phone

Dymtry Lewis
14806 Cypress Rd
Adelanto, CA 92301
Lewisdmytry@yahoo.com
9092050329

Co-Owner's Name (if any) & Info

14806 Cypress Rd
Adelanto, CA 92301

Installation Location

14806 Cypress Rd
Adelanto, CA 92301

Options for System purchase and transfer:

- If you move, you may transfer this agreement to the purchaser of the Home, if the purchaser meets the credit criteria and agrees to take on the obligations under this agreement, and if other conditions are met, as specified in the agreement.
- At certain times, as specified in the agreement, you may purchase the System.

These options apply during the term of our agreement.

Options at the end of the 25 year term:

- Provider may remove the System at no cost to you.
- You may purchase the System from Provider for its fair market value as specified in the agreement.

You may renew this agreement for up to ten (10) years in two (2) five (5) year increments.

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1. Introduction.

This Power Purchase Agreement (this "Power Purchase Agreement" or "PPA") is the agreement between you and **SolKraft, Inc, .**, a Nevada corporation**.** (together with its successors and assigns, "Provider" or "we"), covering the sale to you of the power produced by the solar panel system (the "System") we will install at the Property. Provider agrees to sell to you, and you agree to buy from Provider, all of the power produced by the System. The System will be installed by Provider or its subcontractors at the address you listed above (the "Property" or "Home"). This Power Purchase Agreement is 18 pages long and has up to three (3) Exhibits depending on the state where you live. Provider provides you with a Limited Warranty and Guaranty (the "Limited Warranty"). The Limited Warranty is attached as Exhibit 2. By signing this Power Purchase Agreement you represent and warrant that (i) you are either a citizen of the United States or not exempt from paying Federal income taxes, (ii) the Home is not subject to any encumbrances (including, but not limited to, homeowners' association, condominium association, community association or cooperative covenants, restrictions, bylaws or administrative provisions "Restrictive Covenants") that would prohibit, modify or restrict the installation of the System on the Home, (iii) you have the requisite authority to sign this PPA, satisfy the obligations and grant the rights to Provider hereunder (in each case on your own behalf and on behalf of each person or entity with an ownership interest in the Home), and (iv) if the Home has been placed into a trust, you are, or a signatory hereto is, the grantor, trustee, and beneficiary of such trust with requisite authority to bind the trust under this PPA. Each of you shall be jointly and severally liable under this PPA and, in the case of more than one signer, by signature on this PPA, appoint each other to act on your behalf in all future matters associated with this PPA, including signing any amendment to this PPA, cancelling this PPA, confirming any other matters or receiving any notice associated with this PPA, and similar matters. By execution of this PPA, you are hereby binding your estate, heirs, executors, administrators, legal representatives, personal representatives, trustees, successors and assigns to the obligations of this PPA. If you have any questions regarding this Power Purchase Agreement, please ask your Provider sales consultant.

2. Term.

Provider agrees to sell you the power generated by the System for 25 years. We refer to this period of time as the "Initial Term." The Initial Term begins on the Interconnection Date. The "Interconnection Date" is the date that the System is turned on and generating power. Provider or one of its subcontractors will notify you by email when your System is ready to be turned on. The Initial Term plus any additional renewal terms (if any), as described in Section 25, is referred to as the "Term".

Initial Term	
Number of Consecutive PPA Years:	25
Number of Consecutive PPA Months:	300
Estimated Initial Term Start Date:	2021-12-20
Annual Power Price Escalator:	0.0%

3. Intentionally Left Blank.

4. Power Purchase Agreement Payments; Amounts.

(a) Power Price. You are purchasing all of the power the System produces. During the first year of the term, the power price is $0.169 per kWh. After the first year, the price per kWh will increase annually by 0.0%of the previous year's price ("Annual Power Price Escalator"). There are no installation costs to you. "Power Price" means the given Power Price in any year of the Term

(b) Payments. Your monthly payments ("Monthly Payments") is the product of the output of the System in kWh and the Power Price. Each month after the first full calendar month following the Interconnection Date, we will send you an invoice via U.S. mail or email, detailing the output of the System for the prior month in kWh and the Monthly Payment. If you are paying your Monthly Payment by automatic debit from your checking or savings account (ACH) we will debit your bank account on or about the 20th day of each month following the month of delivery of the electricity during the Term (e.g. debits for electricity delivered in January are made on February 20th). If you are not paying automatic debit, your Monthly Payments will be due on the 20th day of each month and should be sent to this payment address:

SolKraft, Inc.
Attention: Customer Service
P.O. Box 400
Lake Elsinore, CA 92531

Down payments due upon installation, if any, are due immediately prior to commencement of installation. **You will make no Monthly Payments if you are fully prepaying this PPA. In this case, you will pay only the amounts listed in the key terms summary on page one of this PPA.**

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Table 1	
Year	*Termination Value*
1	$42,900.00
2	$41,570.10
3	$40,240.20
4	$38,910.30
5	$37,580.40
6	$36,250.50
7	$34,920.60
8	$33,590.70
9	$32,260.80
10	$30,930.90
11	$29,601.00
12	$28,271.10
13	$26,941.20
14	$25,611.30
15	$24,281.40
16	$22,951.50
17	$21,621.60
18	$20,291.70
19	$18,961.80
20	$17,631.90
21	$16,302.00
22	$14,972.10
23	$13,642.20
24	$12,312.30
25	$10,982.40

(c) Estimated Production. If (i) the System is shut down for more than seven (7) full twenty-four (24) hour days cumulatively during the Term because of your actions; (ii) you take some action that significantly reduces the output of the System; (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; or (iv) your System is not reporting production to Provider (e.g. you have disconnected the Internet connection or cellular function discussed in Section 5(a)(xi) below or such connection goes down on the reporting day), then Provider will reasonably estimate the amount of power that would have been delivered to you during such System or reporting outages or reduced production periods ("Estimated Production") and shall consider Estimated Production as actual production for purposes of this paragraph. In the first year of the Term, Estimated Production will be based on our production projections. If we bill you for Estimated Production because your System is not reporting production to Provider, and we subsequently determine that we have either overestimated or underestimated the actual production, then we will adjust the next bill downward (to refund overbilling) or upward (to make up for lost billing). You will not be charged for Estimated Production when the System is not producing electricity due to Provider's fault, or if it's due to grid failure or power outages caused by someone other than you. PROVIDER DOES NOT WARRANT OR GUARANTEE THAT YOU WILL REALIZE ANY SAVINGS AS COMPARED TO THE COSTS OF PURCHASING YOUR POWER FROM THE LOCAL UTILITY.

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 Provider installed it;
(iii) not modify the Home in a way that shades the System;
(iv) be responsible for any conditions at the Home that affect the installation (e.g., blocking access to the roof, or removing a tree that is in the way, prior work you have done on the Home that was not permitted);
(v) not remove any markings or identification tags on the System;
(vi) As set forth in 5(f)(i), permit Provider, its designees, affiliates, or financing parties, 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 Provider if you think the System is damaged or appears unsafe; if any part of the System is stolen; and prior to changing your power supplier;
(x) return any documents we send you for signature (like incentive claim forms) within seven (7) days of receiving them;
(xi) 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) or if the service is available in your area, you may opt into utilizing a cellular function approved by Provider (applicable fees may apply); and
(xii) notify us of the placement of any encumbrance or Restrictive Covenant on the Home that would prohibit the installation or existence of the System on your roof or require modifications to the System.

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

Provider agrees to:

(i) schedule the installation of the System at a mutually convenient date and time;
(ii) construct the System according to written plans you review;
(iii) notify you if the System design has to be materially changed so that you can review any such changes;
(iv) clean up after ourselves during the construction of the System;
(v) insure the System against damage or loss to the System unless (A) that damage or loss is caused by your gross negligence; or (B) you intentionally damage the System; Upon damage or destruction to the System, you will not be entitled to receive or retain any insurance proceeds. In cases where we bear the risk of loss, our sole obligation to you will be to repair or replace the System to the extent required by the Limited Warranty
(vi) repair the System pursuant to the Limited Warranty and reasonably cooperate with you when scheduling repairs;
(vii) not put a lien on the Home.

(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 have the System removed and replaced pursuant to the Limited Warranty.

(d) **Automatic Payment, 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**: If you elect to make automatic Monthly Payments from your checking or savings account, then you will be charged the Monthly Payments. If you do not elect automatic Monthly Payments, you will be charged an additional $10 monthly processing fee and each Monthly Payment will be $10 greater;
(ii) **Returned Check Fee**: $20 (or such lower amount as required by law) for any check or withdrawal right that is returned or refused by your bank; and
(iii) **Late Payments**: A late charge of $30 (or such lower amount as required by applicable law) shall be applied to any late payments not received within ten (10) days after the date such payment is due.
(iv) **Taxes:** Your Provider electricity rate of $0.169per kWh is composed solely of an electricity rate of $0.169. No state sales taxes are anticipated to be due with respect to your purchase of electricity pursuant to this PPA; however, you agree to pay any changes in the applicable taxes related to this PPA. Thus, if taxes are imposed or rates change, the amount you pay will change to reflect this rate change. If you exercise any of the purchase options set forth in this PPA, you agree to pay any applicable tax on the purchase price for the

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System. You also agree to pay as invoiced any applicable personal property taxes on the System that your local jurisdiction may levy.

(e) **No Alterations**

You agree that you will not make any modifications, improvements, revisions or additions to the System or take any other action that could void the Limited Warranty on the System without Provider'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 Provider's property.

(f) **Access to the System**

(i) You grant to Provider, its financing parties, affiliates, employees, agents and contractors the right to reasonably access all of the Property as necessary for the purposes of (A) installing, constructing, operating, maintaining, 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 Provider's, its financing parties or affiliates 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 installing, constructing, operating, maintaining, owning, repairing, removing and replacing the System. This access right shall continue for up to one hundred and eighty (180) days after this Power Purchase Agreement expires to provide Provider with time to remove the System at the end of the Power Purchase Agreement. Provider shall provide you with reasonable notice of its need to access the Property whenever commercially reasonable.

(ii) During the time that Provider 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 Provider has the right to file or record any UCC-1 financing statement, fixture filing or other notice that confirms its interest in the System. You acknowledge and agree that we or our subcontractor will record a "Notice of an Independent Solar Energy Producer Contract" with the county recorder's office, pursuant to California Public Utilities Code § 2869. You agree to cooperate with us by providing information regarding title to the Home so that we may exercise the rights referred to in this paragraph. Neither this PPA nor any UCC-1 financing statement or notice we may file in connection with this PPA constitutes or imposes a consensual lien on the Home.

(g) **Indemnity**

(i) To the fullest extent permitted by law, you shall indemnify, defend, protect, save and hold harmless Provider, its employees, officers, directors, agents, financing partners, affiliates, subcontractors, 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 Provider for its own negligence or willful misconduct. The provisions of this paragraph shall survive termination or expiration of this Power Purchase Agreement.

(ii) To the fullest extent permitted by law, we shall indemnify, defend, protect, save and hold harmless you and your permitted assigns against any actual loss that you may hereafter suffer by reason of (i) a mechanics' lien being filed by any subcontractor retained directly by us in connection with installation or repair of the System, (ii) any payment or other claim by any subcontractor retained directly by us in connection with the System, and (iii) any damage caused to the Property by a subcontractor retained directly by us in connection with the System. Our liability under this Section 5(g)(ii) shall in no case exceed the amount of the subcontractor's claim, but may be less if the lien can be settled for less, or your loss is less. You will keep us notified at the Provider address provided in Section 7 of Exhibit 2 ("Notice Address") of all legal papers, notices or other papers served on you by any such subcontractor, and in no event shall you make any settlement, payment or accommodation with such subcontractor in connection with the System, or otherwise this indemnity to you shall be null and void. To the extent permitted by applicable law, we will conduct the defense at our expense at all times of the mechanics' lien against such subcontractor.

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(h) **Payments**

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, 22 AND 23, 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.

(i) **Credit Check**

You authorize Provider, or its designee, to obtain your credit report now and in the future, check your credit and employment history, answer questions others may ask regarding your credit and share your credit information with Provider's financing partners and affiliates. You certify that all information you provide to us in connection with checking your credit will be true and understand that this information must be updated upon request if your financial condition changes.

6. <u>Conditions Prior to Installation of the System; Change Orders</u>.

(a) Provider'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 Provider's financing parties;
(iii) your meeting the applicable credit criteria;
(iv) 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;
(v) confirmation that Provider will obtain all applicable benefits referred to in Section 9;
(vi) receipt of all necessary zoning, land use and building permits; and
(vii) completion of any renovations, improvements or changes reasonably required at the Home or on the Property which have been agreed upon in writing (e.g., removal of a tree or necessary roof repairs to enable us to safely install the System).

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

(b) **Amendments.**

You authorize Provider to make corrections to the utility paperwork to conform to this PPA or any amendments to this PPA we both sign.

7. <u>Warranty</u>.

YOU UNDERSTAND THAT THE SYSTEM IS WARRANTED SOLELY UNDER THE LIMITED WARRANTY ATTACHED AS **<u>EXHIBIT 2</u>**, 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. <u>Transfer</u>.

You agree that Provider 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. This assignment does not change Provider's or assignee's obligation to maintain and repair your System as set forth in the Limited Warranty. Any assignment of Provider's rights and/or obligations under this Agreement shall not result in any change to your rights and obligations under this Agreement with respect to assignee.

9. <u>Ownership of the System; Tax Credits and Rebates</u>.

You agree that the System is Provider'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. Provider 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 Provider, and shall at your expense protect and defend Provider against the same. You understand and agree that any and all tax credits, incentives, renewable energy credits, green tags, carbon

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offset credits, utility rebates or any other nonpower attributes of the system are the property of and for the benefit of Provider, usable at its sole discretion. Provider 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 Provider 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 Provider.

10. Purchasing the System.

You have the option to purchase the System as detailed below. 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 six (6) year anniversary of the beginning of the Initial Term and every annual anniversary after the six (6) year anniversary (the "Early Purchase Option");
(ii) when you sell the Home pursuant to the terms of Section 11 below;
(iii) if Provider ever ceases its operations and fails to provide for a substitute provider; and
(iv) at the end of the Initial Term or any additional renewal term.

In each of (i), (iii) and (iv) above, the price you will pay for the System will be the greater of System's fair market value ("FMV") or the "Termination Value" shown in Table 1 for that year. 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. In the instance of (ii) above, the price you will pay for the System will be determined in accordance with Section 11 below (each such price applicable to each of (i), (ii), (iii) and (iv) above, the "Purchase Price"). If the option to purchase under (i) through (iv) is selected you agree to pay any applicable tax on the purchase price for the System. If the option to purchase under (i) through (iv) is selected and fully performed in accordance with this PPA, none of you, us, or any future owner of the System will have any further obligations under this PPA (other than those which, by their terms, expressly survive termination of this PPA). Provider's obligations under the Limited Warranty (Exhibit 2) will terminate when you purchase the System.

11. Selling the Home.

(a) If you sell the Home you can:

(i) **Transfer this Power Purchase Agreement and the Monthly Payments**

If the person buying the Home meets Provider's then current credit requirements and agrees to take on the obligations under this agreement, then where permitted by the local utility, the person buying the Home can sign a transfer agreement assuming all of your rights and obligations under this Power Purchase Agreement.

(ii) **Purchase the System**

If you sell the Home, at any time during the Term, you can purchase the System (the "Purchase to Sell Option") by paying us the greater of (A) the FMV of the System as determined by an appraisal and (B) the "Termination Value" shown in Table 1 which corresponds to the twelve (12) -month period which includes the month in which the Purchase to Sell Option is exercised, plus all amounts accrued and unpaid under this PPA including, without limitation, all accrued and unpaid Monthly Payments, penalties, late charges, if any, and taxes, plus any applicable sales taxes, use tax or governmental charges (including any amounts that may be imposed, or required to be collected by us, with respect to the recapture or forfeiture of any government incentives, such as tax credits and depreciation benefits, including any related government penalties) related to the purchase and sale of the System. The appraisal will be conducted, if at all, at your sole cost; provided that should such cost exceed three hundred dollars ($300), we will pay such additional amounts over three hundred dollars ($300). You are required to give us at least two (2) weeks' prior written notice (to Notice Address) of your intention to exercise the Purchase to Sell Option. If this Purchase to Sell Option is selected and fully performed in accordance with this PPA, none of you, us, nor the new owner of the Home will have any further obligations under this PPA (other than those which, by their terms, expressly survive termination of this PPA). Provider's obligations under the Limited Warranty (Exhibit 2) will terminate when you purchase the System. You understand that the sale of the Home and/or your purchase of the System may result in increased state and local property tax liabilities.

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(b) You agree to give Provider 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 approved buyer and Provider shall execute a written transfer of this PPA.

(c) If you sell the Home and cannot comply with any of the options in subsection (a) above, you will be in default under this Power Purchase Agreement. This Section 11(c) 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 THIS PPA WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD.

12. Loss or Damage.

(a) Unless you are grossly negligent or you intentionally damage the System, Provider 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 Provider, at Provider's sole cost and expense, to have the System repaired pursuant to the Limited Warranty.

13. Limitation of Liability.

(a) **No Consequential Damages**

PROVIDER'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(G), NEITHER PARTY'S LIABILITY TO THE OTHER WILL EXCEED AN AMOUNT EQUAL TO THE MAXIMUM AMOUNT THAT COULD BE PAYABLE BY YOU UNDER SECTION 15(H). EXCEPT TO THE EXTENT DAMAGE IS CAUSED BY A PARTY'S WILLFUL MISCONDUCT, GROSS NEGLIGENCE, FRAUD OR VIOLATION OF LAW. DAMAGES TO THE HOME, YOUR BELONGINGS OR THE PROPERTY RESULTING FROM THE INSTALLATION OR OPERATION OF THE SYSTEM ARE COVERED IN SECTION 6(C) OF THE LIMITED WARRANTY.

14. 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 Provider's prior written consent;

(e) you make an assignment for the benefit of creditors, admit in writing you are insolvent, file or there is filed against you a voluntary or involuntary petition in bankruptcy, are adjudicated bankrupt or insolvent or undertake or experience any substantially similar activity;

(f) you default on any obligation secured by the Home; or

(g) any representation you made under this PPA was false at the time you signed this PPA, including, without limitation, the representation that you have the requisite authority to sign this PPA, satisfy the obligations and grant the rights to Provider hereunder (in each case on your own behalf and on behalf of each person or entity with an ownership interest in the Home).

15. 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;

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

(d) proceed, by appropriate alternative dispute resolution procedure, to enforce performance of this PPA and to recover damages for your breach;

(e) disconnect, 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) report such non-operational status of the System to your utility, informing them that you are no longer net metering;

(g) charge you a reasonable reconnection fee for reconnecting the System to your utility or turning your System back on after we disconnect or turn off the System due to your default;

(h) recover from you (i) a payment equal to the Purchase Price as applicable to Section 10(ii) above as of the year of default plus (ii) all taxes, late charges, penalties, interest and all or any other sums then accrued or due and owing; and (iii) seek a pre or post judgment lien or similar security interest on or against the Home; or

(i) use any other remedy available to us in this PPA or by law.

We may submit to credit reporting agencies (credit bureaus) negative credit reports that would be reflected on your credit record if you do not pay any amounts due under this PPA as required.

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, Provider 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, Provider does not give up our right to use that remedy in case of a subsequent default.

16. System Removal; Return.

At the end of the Initial 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 ten (10) days you agree to contact Provider at the Notice Address to schedule a convenient time for Provider to remove the System from the Home at no cost to you.

17. 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.

We agree that any dispute, claim or disagreement between us (a "Dispute") shall be resolved exclusively by binding arbitration and that the Federal Arbitration Act governs the interpretation and enforcement of this Agreement to Arbitrate. The laws of the state where the Home is located shall govern the substantive claims arising from this PPA without giving effect to conflict of laws principles.

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. 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 the Home. If a JAMS office does not exist within fifty (50) miles of the Home, then we will use another accredited arbitration provider with offices close to the Home. If the value of the relief sought is $10,000 or less, you may elect to have the arbitration conducted by telephone or based solely on written submissions, which election shall be binding, subject to the arbitrator's discretion to require an in-person hearing, if the circumstances warrant.

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 the party that prevails in the arbitration is entitled to recover reasonable attorney's fees and costs from the party that does not prevail.

Only Disputes involving you and Provider 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 Provider.

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

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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.

18. 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.

19. 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.

20. 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.

21. Intentionally Left Blank.

22. NOTICE OF RIGHT TO CANCEL.

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

23. Intentionally Left Blank.

24. Subcontractors.

Provider may have some or all of its obligations hereunder performed by subcontractors without Buyer's consent.

25. Renewal.

If you are in compliance with your PPA, you and your Provider 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 Initial 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, 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 cancel the PPA or express your disapproval of the new Monthly Payments in writing to us, this PPA shall expire by its terms on the termination date.

IF YOU DON'T SEND US ANYTHING IN WRITING 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 THE SAME RATE (IN ABSOLUTE TERMS) AS YOUR FIRST RENEWAL UNTIL (I) YOU CONTACT US AT THE NOTICE ADDRESS AT LEAST THIRTY (30) DAYS PRIOR TO A RENEWAL TERM TO INFORM US THAT YOU DO NOT WISH TO RENEW; OR (II) WE SEND YOU A NOTICE TERMINATING THE PPA.

[SIGNATURE PAGE FOLLOWS]

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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. The undersigned agrees to be bound by this Power Purchase Agreement. Moreover, if the Home has been placed into a Trust, the undersigned Owner and Co-Owner (if any) certifies that he or she is the Grantor, Trustee, and Beneficiary of such Trust and, as trustee for such Trust, agrees to be bound by this Power Purchase Agreement.

Owner's Name: Dymtry Lewis

Signature: DocuSigned by: BDD7F66AA2A1406...

Date: 1/24/2022

SolKraft, Inc.

Signature: DocuSigned by: Cole Williams 8A3E1371C4F841F...

Date: 2/28/2022

Co-Owner's Name (if any):

Signature: _____

Date: _____

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EXHIBIT 1 (Provider 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 TEN BUSINESS DAYS following receipt by the seller (SolKraft, Inc.) 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 (SolKraft, Inc.) 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 (SolKraft, Inc.) regarding the return shipment of the goods at the seller's (SolKraft, Inc.) expense and risk. If you do make the goods available to the seller (SolKraft, Inc.) and the seller (SolKraft, Inc.) 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 (SolKraft, Inc.), or if you agree to return the goods to the seller (SolKraft, Inc.) 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 SolKraft, Inc., at P.O. Box 400, Lake Elsinore, CA 92531,, NOT LATER THAN MIDNIGHT of the date that is THREE BUSINESS DAYS from the date you signed the Power Purchase Agreement.

I, Dymtry Lewis, HEREBY CANCEL THIS TRANSACTION on _____
(Your Name) (Today's Date)

Owner's Signature:

_____

Co-Owner's Signature:

_____

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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 TEN BUSINESS DAYS following receipt by the seller (SolKraft, Inc.) 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 (SolKraft, Inc.) 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 (SolKraft, Inc.) regarding the return shipment of the goods at the seller's (SolKraft, Inc.) expense and risk. If you do make the goods available to the seller (SolKraft, Inc.) and the seller (SolKraft, Inc.) 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 (SolKraft, Inc.), or if you agree to return the goods to the seller (SolKraft, Inc.) 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 SolKraft, Inc., at P.O. Box 400, Lake Elsinore, CA 92531,, NOT LATER THAN MIDNIGHT of the date that is THREE BUSINESS DAYS from the date you signed the Power Purchase Agreement.

I, Dymtry Lewis, HEREBY CANCEL THIS TRANSACTION on _____
(Your Name) (Today's Date)

Owner's Signature:

_____

Co-Owner's Signature:

_____

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EXHIBIT 2

LIMITED WARRANTY AND GUARANTY

1. INTRODUCTION

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

2. LIMITED WARRANTIES

(a) Limited Warranties

Provider warrants the System as follows:

(i) System Warranty

During the Initial 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 Initial Term, Provider 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 (the "Repair Promise"). If we damage the Home, your belongings or the Property we will repair the damage we cause or pay you for the damage we cause as described in Section 6. Provider may use new or reconditioned parts when making repairs or replacements. Provider 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 Provider'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 the Home and continue through the Initial Term. Thus, for as long as you host the System from Provider 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 Initial Term.

(c) System Performance Guaranty

(i) Provider guarantees that during the Initial Term the System will operate within manufacturer's specifications and if it does not that Provider, or one of its subcontractors, will repair or replace any defective part and restore System performance.

(d) Maintenance and Operation

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(i) When the System is installed, Provider may provide you with a copy of its Solar Operation and Maintenance Guide (the "Guide"). This Guide provides you with System operation and maintenance instructions, answers to frequently asked questions, troubleshooting tips and service information. Provider will perform all required System maintenance.

(e) Making a Claim; Transferring this Warranty

(i) **Claims Process**

You can make a claim by contacting us at the address in Section 7 below.

(ii) **Transferable Limited Warranty**

Provider will accept and honor any valid and properly submitted Warranty claim made during the Initial Term by any person 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 Provider 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 Provider 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;

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

(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 PROVIDER WITH RESPECT TO THE SYSTEM. TO THE EXTENT PERMITTED BY APPLICABLE LAW, PROVIDER HEREBY DISCLAIMS, AND ANY BENEFICIARY OF THIS LIMITED WARRANTY HEREBY WAIVES, ANY WARRANTY WITH RESPECT TO ANY COST SAVINGS FROM USING THE SYSTEM.

3. PROVIDER'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 OR REMOVAL

(a) You agree that if (i) the System needs any repairs that are not the responsibility of Provider under this Limited Warranty or (ii) the system needs to be removed and reinstalled to facilitate remodeling of the Home, you will have Provider, or another similarly qualified service provider approved by Provider, at your expense, perform such repairs, removal and reinstallation on a time and materials basis.

(b) If at the end of the Initial Term you want to return the System to Provider under Section 16 of the PPA then Provider will remove the System at no cost to you. Provider 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). You agree to reasonably cooperate with Provider 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 Provider is unable to perform all or some of its obligations under this Limited Warranty because of a Force Majeure Event, Provider will be excused from whatever performance is affected by the Force Majeure Event, provided that:

(a) Provider, as soon as is reasonably practical, gives you notice describing the Force Majeure Event;

(b) Provider'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 Provider 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 Provider'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 Provider's failure to have exercised reasonable diligence); power or voltage surge caused by someone other than Provider including a grid supply voltage outside of the standard range specified by your utility; and failure of equipment not utilized by Provider 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 6(C) UNDER THIS LIMITED WARRANTY, AND IN NO EVENT SHALL PROVIDER 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

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Notwithstanding any other provision of this Limited Warranty to the contrary, Provider's total liability arising out of relating to this Limited Warranty shall in no event exceed the original cost of the System.

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 PROVIDER: SolKraft, Inc.
Attention: Customer Service
P.O. Box 400
Lake Elsinore, CA 92531

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

Provider may assign its rights or obligations under this Limited Warranty to a third party without your consent, provided that any assignment of Provider's obligations under this Limited Warranty shall be to a party qualified by Provider 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 to whom you properly transfer the Power Purchase Agreement. This Limited Warranty contains the parties' entire agreement regarding the limited warranty of the System.