



## An Overview of Your Solar Agreement

Homeowner Name, Address, Email, Phone	Co-Owner Name (If Any) Email, Phone	Installation Location
		31120 Bunker Dr Temecula, CA 92591

We at Horizon Solar Power are excited to welcome you to your solar future!

While it's still necessary to read your entire agreement, here are some important points to be aware of:

<b>Upfront Payment</b>	<b>\$ 0.00</b>
<b>Install Payment</b> <small>(payment due at start of installation)</small>	<b>\$ 0.00</b>
<b>Lease Term</b>	<b>20 years</b>
<b>Monthly Solar Payment, Year 1</b>	<b>\$ 84.87</b>
<b>Annual Increase</b> <small>(in monthly payment)</small>	<b>2.90 %</b>
<b>Est. Production, Year 1</b>	<b>6486 kilowatt hours ("kWhs")</b>
<b>Est. Production, Lease Term</b>	<b>123,783 kWhs</b>

## An Overview of Your Solar Agreement (cont'd)

### Our Promises to You

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- We insure and repair the System for the entire 20-year Lease Term, as specified in the agreement. □ We only work with insured partners who are licensed to install and maintain the System.
- We provide a 20-year performance guarantee and 10-year output warranty as set forth in Exhibit 2.
- We warranty your roof against leaks caused by the System for at least five (5) years after installation, as specified in the agreement.
- We restore your roof at the end of the agreement, as specified in the agreement.
- During the Lease Term, what you pay for solar, exclusive of taxes, will not increase by more than **2.90%** per year.

**Your Prepayment and Transfer Choices During the Lease Term**

- If you move, you may transfer this agreement to the purchaser of your Home, as specified in the agreement. □ If you move, you may prepay the remaining payments (if any) at a discount.



**Your Choices at the End of the Lease Term**

- We will remove the System at no additional cost to you.
- You may purchase the System as specified in the agreement.
- You may renew your agreement for up to five (5) years in five (5) one (1) year increments.
- Otherwise, the agreement will automatically renew for an additional one (1) year term with Monthly Payments based on the System’s then fair market value.

**Other Important Terms**

- After going solar you will continue to receive a bill from your utility, but it will be offset by your solar production.
- The Monthly Solar Payment (Year 1) and Est. Avg. Price per kWh (Lease Term, Implied) listed above each reflect a \$15.00 per month discount for paying by automatic debit (ACH) and will be higher if you choose another method of payment.

**We are Committed to Being There for You**

- Don’t hesitate to reach out to our Customer Service department at (951) 926-1176 with any questions or concerns. Our customer service specialists are eager to help Monday to Friday from 8am-6pm PT.

**1. Introduction. 3. System Description.**

This solar lease (this “Lease”) is the agreement between you and Horizon Solar Power LLC (together with its successors and assigns, “Lessor,” “us” or “we”), covering the lease to you of the solar panel system (the “System”) described below. This Lease includes disclosures required by the Federal Consumer Leasing Act and, where applicable, state

laws. The System will be installed by Lessor at:  
31120

Bunker Dr Temecula, CA 92591

(the “Property” or your “Home”). Lessor provides you with a Limited Warranty (the “Limited Warranty”) that is attached as **Exhibit 2**. **By signing this Lease you represent that you are (i) at least eighteen (18) years of age, (ii) the owner of the Property, and (iii) either a citizen of the United States or not exempt from paying Federal income taxes.** If you do not meet your contract obligations under this Lease, you may lose your rights to the System.

**2. Lease Term.**

Item
4.27 kW DC (STC) photovoltaic system
Photovoltaic Modules 14 Hanwha Q-Cell 305
Inverter(s) 14 Enphase Microinverters

Lessor agrees to lease you the System for twenty (20) years (240 full calendar months), plus, if the Interconnection Date is not on the first day of a calendar month, the number of days left in that partial calendar month, including the Interconnection Date. We refer to this period of time as the “Lease Term.” The Lease Term begins on the

Accepted by:

Date of Agreement: 10/17/2018



Interconnection Date. The Interconnection Date is the date that the System is turned on and generating power. Lessor will notify you when your System is ready to be turned on. The System must remain fully operational for the entire Lease Term. If the System does not remain operational for the entire Lease Term as a result of your actions or inactions, you will be financially liable to return to the utility (on a pro-rated basis) the portion of the incentive payment that relates to the time the System was not operational, if applicable.

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**4. Lease Payments; Amounts.**

**A. Amounts Due at Lease Signing, Installation:**

**Upfront Payment:** \$0.00  
(due at lease signing)

**Install Payment:** \$0.00  
(due at start of installation)

**B. Monthly Payments:**

Your first monthly payment is \$ 84.87 , followed by 11 monthly payments of \$ 84.87 each, followed by 12 monthly payments of \$ 87.33 each, followed by 12 monthly payments of \$ 89.86 each, followed by 12 monthly payments of \$ 92.47 each, followed by 12 monthly payments of \$ 95.15 each, followed by 12 monthly payments of \$ 97.91 each, followed by 12 monthly payments of \$ 100.75 each, followed by 12 monthly payments of \$ 103.67 each, followed by 12 monthly payments of \$ 106.68 each, followed by 12 monthly payments of \$ 109.77 each, followed by 12 monthly payments of \$ 112.95 each, followed by 12 monthly payments of \$ 116.23 each, followed by 12 monthly payments of \$ 119.60 each, followed by 12 monthly payments of \$ 123.07 each, followed by 12 monthly payments of \$ 126.64 each, followed by 12 monthly payments of \$ 130.31 each, followed by 12 monthly payments of \$ 134.09 each, followed by 12 monthly payments of \$ 137.98 each, followed by 12 monthly payments of \$ 141.98 each, followed by 12 monthly payments of \$ 146.10 each.

Your total lease payments, excluding tax, are:

\$ 27,088.92 . Your estimated average monthly tax payments are: \$0.00

Your first Monthly Payment is due on the first day of the first full calendar month following the Interconnection Date. After your first Monthly Payment, future Monthly Payments (and any applicable taxes) are due on the first day of the calendar month.

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<p><b>C. Other Charges (not part of your Monthly Payment):</b></p> <p>If you make your Monthly Payments by allowing us to automatically debit your checking or savings account, then you will receive a discount of \$15.00 on your Monthly Payments. The Monthly Payments listed above reflect this discount. If you do not allow the automatic debit, this discount will not be applied to your Monthly Payments and each Monthly Payment will be \$15.00 greater.</p>	<p><b>D. Total of Payments (A+B+C):</b> \$ 27,088.92</p> <p>This is the total amount you will have paid by the end of this Lease. It includes the Monthly Payments stated above <u>and</u> estimated taxes of: \$0.00</p> <p>This amount reflects the discount described in Section 4(C).</p>
<p><b>E. Purchase Option at End of Lease Term:</b></p> <p>You have an option to purchase the System at the end of the 20-year Lease Term for a purchase price that is equal to \$ <span style="float: right;">500.00</span>  multiplied by <span style="float: right;">4.27 kW DC</span>  Rating <span style="float: right;">,</span> plus any applicable taxes and fees.</p>	<p><b>F. Other Important Terms:</b></p> <p>See Section 2 above for additional information on the Lease Term and also see below for additional information on termination, purchase options, renewal options, maintenance responsibilities, warranties, late and default charges and prohibition on assignment without Lessor's consent. Payments due upon installation are due immediately prior to commencement of installation.</p>

**5. Lease 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 Lessor installed it;
- (iii) follow operation instructions pursuant to the Limited Warranty and Guide as set forth in Exhibit 2 to this Lease;

- (iv) not modify your Home in a way that shades the System;
- (v) be responsible for any conditions at your Home that affect the installation (e.g. blocking access to the roof, removing a tree that is in the way or prior work you have done on your Home that was not permitted);
- (vi) not remove any markings or identification tags on the System;
- (vii) as set forth in Section 5(g)(i) of this Lease, permit Lessor, its designees or its financing parties, after we give

- you reasonable notice, to inspect the System for proper operation as we reasonably determine necessary;
- (viii) use the System primarily for personal, family or household purposes, but not to heat a swimming pool;

- (ii) construct the System according to written plans you approve;
- (iii) provide you with a meter to accurately measure the amount of power the System delivers to you;
- (iv) notify you if the System design has to

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- (ix) not do anything, or permit or allow to exist any condition or circumstance, that would cause the System not to operate as intended at the Property;
- (x) notify Lessor promptly 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;
- (xi) have anyone who has an ownership interest in your Home sign and thereby agree to be bound by this Lease;
- (xii) promptly execute and deliver any documents we send you for signature (like incentive claim forms);
- (xiii) provide Lessor continuous access to a working broadband connection unless the System includes a cellular monitoring system (not available for all systems). See Section 3(b)(ii) of the Limited Warranty for details; and
- (xiv) authorize us to make inquiries concerning your credit history and standing from time to time. We may report information about your performance under this Lease to consumer reporting agencies. Late payments, missed payments or other defaults hereunder may be reflected in your credit report.

**(b) System Construction, Repair, Insurance and Lessor's obligations Lessor agrees to:**

- (i) schedule the installation of the System at a mutually convenient date and time;

- CA Monthly Lease Agreement v1.0 be materially changed so that you can review any such changes;
- (v) clean up after ourselves during the construction of the System;
- (vi) insure the System against all damage or loss unless (A) that damage or loss is caused by your gross negligence; (B) that damage or loss is caused by ball strikes; or (C) you intentionally damage the System. Upon such damage or loss to the System, you will not be entitled to receive or retain any insurance proceeds. A notice concerning commercial general liability and workers' compensation is attached to this contract;
- (vii) repair the System and your roof pursuant to the Limited Warranty; and
- (viii) not put a lien on your Home or Property.

**(c) Home Renovations or Repairs**

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

**(d) Automatic Payment; Fees; Late Charges**

In addition to the other amounts you agree to pay in this Lease, you agree to pay the following:

- (i) Automatic Payment Discount: All prices include a \$15.00 monthly discount for using automatic payment. You will not receive a \$15.00 monthly discount if you do not make automatic Monthly Payments through your checking or savings account;
- (ii) Returned Check Fee: \$25 (or such lower amount as required by law) for any check or withdrawal right that is returned or refused by your bank; and
- (iii) Late payments: \$50 (or such lower amount as required by law) for any payment that is not received within ten (10) days after the due date on the invoice.

**(e) Taxes**



You agree to pay any applicable sales or use taxes on the Monthly Payments due under this Lease. Thus, if tax rates change, your Monthly Payment will change to reflect that rate change. You agree to pay any applicable tax on the purchase price for the System if you purchase the System. You also agree to pay as invoiced any applicable property taxes on the System that your local jurisdiction may levy. The total estimated amount you will pay for taxes over the Lease

Term is: \$0.00 .

**(f) No Alterations**

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

**(g) Access to the System**

- (i) You grant to Lessor and/or its representatives the right to reasonably access all of the Property as necessary for the purposes of (A) installing, constructing, operating, owning, repairing, removing and replacing the System or making any additions to the System or installing complementary technologies on or about the location of the System; (B) enforcing Lessor’s or other financing parties’ rights as to this Lease and the System; (C) installing, using and maintaining electric lines, inverters and meters, necessary to interconnect the System to your electric system at the Property and/or to the utility’s electric distribution system; or (D) taking any other action reasonably necessary in connection with the construction, installation, operation, maintenance, removal or repair of the System. This access right shall continue for up to ninety (90) days after this Lease expires to provide Lessor with time to remove the System at

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the end of the Lease Term. Lessor shall provide you with reasonable notice of its need to access the Property whenever commercially reasonable.

- (ii) During the time that Lessor 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 Lessor has the right to file any UCC-1 financing statement or fixture filing that confirms its interest in the System. Neither this Lease nor any UCC-1 financing statement we may file in connection with this Lease constitutes or imposes a consensual lien on your Home or Property.

**(h) Indemnity**

To the fullest extent permitted by law, you shall indemnify, defend, protect, save and hold harmless Lessor, its employees, officers, directors, agents, financing partners, service providers 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 Lessor for its own negligence or willful misconduct. The provisions of this paragraph shall survive termination or expiration of this Lease.

**(i) Monthly Payments**

The Monthly Payments section (Section 4(B)) describes your monthly payment obligations under this Lease. YOU AGREE THAT THIS IS A NET LEASE AND THE OBLIGATION TO PAY ALL MONTHLY PAYMENTS AND ALL OTHER AMOUNTS DUE UNDER THIS LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL UNDER ALL CIRCUMSTANCES AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, DEFENSE, COUNTERCLAIM, SETOFF, RECOUPMENT OR REDUCTION FOR ANY REASON

WHATSOEVER, IT BEING THE EXPRESS INTENT OF THE PARTIES THAT ALL AMOUNTS PAYABLE BY YOU HEREUNDER SHALL BE AND CONTINUE TO BE PAYABLE IN ALL EVENTS INCLUDING BY YOUR HEIRS AND ESTATE AND, EXCEPT AS SET FORTH BELOW IN SECTIONS 6, 22 AND 23, YOU HEREBY WAIVE ALL RIGHTS YOU MAY HAVE TO REJECT OR CANCEL THIS LEASE, TO REVOKE ACCEPTANCE OF THE SYSTEM, OR TO GRANT A SECURITY INTEREST IN THE SYSTEM.

**(j) Credit Check**

Lessor may have prescreened your credit. Prescreening of credit does not impact your credit score. You can choose to stop receiving “prescreened” offers of credit from us and other companies by calling toll-free, 1-888-5-OPTOUT (1-888-567-8688). You authorize Lessor or its designee to obtain your credit report now and in the future, to check your credit and employment history, and to answer questions others may ask regarding your credit information with Lessor’s financing partners. You certify that all information you provide to us in checking your credit will be true and understand that this information must be updated upon request if your financial situation changes. Credit inquiries may be reported to credit bureaus and may affect your credit score.

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

**(a) Lessor’s Obligation to Install and Lease**

Lessor’s obligations to install and lease the System are 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 Lease by Lessor’s financing partner(s);
- (iii) your meeting the applicable credit criteria;
- (iv) receipt of any Upfront Payment or Install Payment;
- (v) confirmation of rebate, tax credit and renewable energy credit payment availability in the amount used to calculate the Monthly Payment amounts set forth in this Lease;
- (vi) confirmation that Lessor will obtain all applicable benefits referred to in Section 9;
- (vii) receipt of all necessary zoning, land use and building permits; and
- (viii) completion of any renovations, improvements or changes reasonably required at your Home or on the Property (e.g. removal of a tree or roof repairs necessary to enable Lessor to safely install the System).

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

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

- (i) Change Notices  
If Lessor determines after the engineering site audit of the Property (the “Home Visit”) that a change to the design or equipment is necessary and such change does not change your Upfront Payment, Install Payment, or Monthly Payments, then Lessor will send you a change notice.
- (ii) Change Orders  
If Lessor determines after the Home Visit that we have misestimated the Year One Production Estimate, or that any design or

equipment changes will change the Year One Production Estimate, such that the adjusted Year One Production Estimate is at least 10% more or less than Lessor's initial Year One Production Estimate, then we will provide you with an amendment in the form of a change order ("Change Order"). The Change Order will reflect any adjustments to the System, the Year One Production Estimate and/or the

Performance Guarantee set forth in Exhibit 2 (the "Performance Guarantee") as well as any adjustments to your Upfront Payment, Install Payment, or Monthly Payments. You may choose to either cancel this Agreement without penalty or fees or sign the Change Order within ten (10) business days of receiving such Change Order; if you do not terminate or sign the Change Order within this period, then we may cancel this Agreement. Upon signing of such Change Order by both parties, this Agreement shall be amended as set forth in such Change Order. You authorize Lessor to make corrections to the utility paperwork to conform to any such Change Order to this Agreement that we both sign.

(iii) **Effect of Change Notices and Change Orders**

A Change Notice will not result in any change to your Upfront Payment, Install Payment, or Monthly Payments and will not change your Performance Guarantee. A Change Order will result in a change in your Year One Production Estimate and/or Performance Guarantee and may result in changes to your Install Payment and/or Monthly Payments. If your Upfront Payment or Install Payment is increased by a Change Order, you will pay such additional amount when due. If the Change Order results in a decrease in the Upfront Payment or Install Payment, and such payment has already been made, we will refund you the amount of the decreased payment.

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(iv) **Note About Extra Work and Change Orders**

Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of any work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments. Failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

**7. Warranty.**

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

**8. Transfer.**

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

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

You agree that the System is Lessor's personal property under the Uniform Commercial Code. You understand and agree that this is a lease and not a sale agreement. Lessor 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 Lessor, and shall at your expense protect and defend Lessor against the same.

YOU UNDERSTAND AND AGREE THAT ANY AND ALL TAX CREDITS ARE OUR PROPERTY AND FOR OUR BENEFIT, USABLE AT OUR SOLE DISCRETION. WE SHALL HAVE THE EXCLUSIVE RIGHT TO USE AND TRANSFER ALL SUCH BENEFITS, WHETHER SUCH BENEFITS EXIST NOW OR IN THE FUTURE. YOU AGREE TO REASONABLY COOPERATE WITH US SO THAT WE MAY CLAIM AND TRANSFER ANY TAX CREDITS. THIS MAY INCLUDE GIVING OR ASSIGNING THESE TAX CREDITS OR THEIR CASH EQUIVALENTS TO US. YOU ARE THE OWNER OF THE ENVIRONMENTAL INCENTIVES WHICH YOU MAY ASSIGN TO LESSOR.

Lease for up to five (5) years in one (1) year renewal periods (the "Renewal Term"). We will send you renewal forms at least ninety (90) days prior to the expiration of the Lease Term and each subsequent Renewal Term, which forms shall set forth the new Monthly Payments due under the renewal Lease, based on our assessment of the then current fair market value of the System. If you want to renew, complete the renewal forms and return them to us at least thirty (30) days prior to the end of the Lease Term or Renewal Term, as applicable. You must inform us in writing in the event that you do not agree to the new Monthly Payments or otherwise do not want to renew your Lease, in which case this Lease 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 referenced above, then this Lease shall automatically renew for an additional one (1) year term with Monthly Payments based on the System's then fair market value (as determined by Lessor) (which amount shall, in no event, be greater than the amount offered to you in the renewal forms referenced above) and shall continue to renew for one (1) year terms at the same rate as your first renewal until: (i) you give us notice at least thirty (30) days prior to the start of a new renewal term that you do not wish to renew; or (ii) we send you a notice terminating the Lease.

**10. Options Prior to the End of the Lease Term.**

**(a) Option to Prepay**

At any time during the Lease Term, you can prepay this Lease in full by paying Lessor the expected remaining payments (estimated future production during the rest of the Lease Term multiplied by the average kWh rate during the rest of the Lease Term) at a 5% discount rate. To exercise this option you must be in good standing under this Lease and you need to give us at least thirty (30) days, but not more than ninety (90) days prior written notice. If you exercise this option, Lessor's obligations under this Lease will continue through the remainder of the Lease Term.

**(b) Option to Purchase**

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

**(b) Purchase**

You may purchase the System at the end of the Lease Term or Renewal Term. To exercise this option, you must notify Lessor in writing at least thirty (30) days, but not more than ninety (90) days, prior to the end of the Lease Term or Renewal Term, as applicable.

The price you will pay for the System shall be \$ 500.00 multiplied by: 4.27 kW DC Rating plus any applicable taxes and fees.

If you exercise the option to purchase the System, you will be purchasing it on an "AS IS, WHERE IS" basis with two limited exceptions: we will assign you

**11. Options at the End of the Lease Term.**

**(a) Renewal**

If you are in compliance with your Lease, you and Lessor have the option to renew your

any product and/or workmanship warranties still in effect for the System and Lessor's maintenance and repair obligations under the Limited Warranty (Exhibit 2) will continue when you purchase the System until what would have been the end of the warranty period.

**(c) Removal**

If you choose not to renew this Lease or purchase the System, then there are two (2) possibilities with respect to returning or keeping the System:

- (i) We may, at our choosing, remove the System at no cost to you; or
- (ii) You may request to have the System removed at no cost to you by notifying us as described in Section 20.

**12. Selling Your Home.**

(a) If you sell your Home you can:

**(i) Transfer this Lease and the Monthly Payments**

If the person buying your Home meets Lessor's credit requirements, then where permitted by the local utility, the person buying your Home can sign a transfer agreement assuming all of your rights and obligations under this Lease. If the Home Buyer does not meet Lessor's credit requirements, but qualifies for a mortgage to purchase your home, either you or the Home Buyer may pay Lessor a \$250 credit exception fee to transfer this Lease.

**(ii) Prepay this Lease and Transfer only the Use of the System**

You can prepay the payments remaining on the Lease (See Section 16(g)(i) and (ii)). The person buying your Home does not have to meet any credit requirements and, by signing a transfer agreement, will assume your rights and non-Monthly Payment obligations under this Lease. The System stays at your Home, the

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person buying your Home does not make any Monthly Payments and has only to comply with the non-Monthly Payment portions of this Lease.

- (b) You agree to give Lessor at least thirty (30) days but not more than ninety (90) days prior written notice if you want someone to assume your Lease obligations. In connection with this assumption, you, your approved buyer and Lessor shall execute a written transfer of this Lease. Unless we have released you from your obligations in writing, you are still responsible for performing under this Lease. If your buyer defaults on this Lease and we have not yet signed the transfer agreement, you will be responsible for their default. We will release you from your obligations under this Lease in writing once we have a signed transfer agreement with the person buying your Home (provided such person has been approved as a transferee by Lessor in writing). If you purchase the System and it does not remain operational for the entire Lease Term as a result of your actions or inactions, you will be financially liable to return any performance based incentive that Lessor is obligated to refund the applicable utility (on a pro-rated basis) for the portion of the incentive payment that relates to the time the System was not operational.
- (c) In connection with any transfer agreement executed in connection with the sale of your home, you or the person buying your Home shall be required to pay Lessor a \$250 transfer fee.
- (d) If you, your estate or your heirs sell your Home and fail to comply with this Section, you will be in default under this Lease.
- (e) EXCEPT AS SET FORTH IN THIS SECTION, YOU MAY NOT SUBLEASE, ASSIGN, SELL, PLEDGE OR IN ANY OTHER WAY TRANSFER YOUR INTEREST IN THE SYSTEM OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH SHALL

NOT BE UNREASONABLY  
WITHHELD.

**13. Loss or Damage.**

- (a) Unless you, your guests, contractors or agents are grossly negligent or intentionally damage the System or damage or loss is caused by ball strikes, Lessor will bear all of the risk of loss, damage, theft, destruction or similar occurrence to any or all of the System.
- (b) Except as expressly provided in this Lease, no loss, damage, theft or destruction will excuse you from your obligations under this Lease, including Monthly Payments.

**14. Limitation of Liability.**

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

**(b) Actual Damages**

**Except for claims under Section 5(h), neither party's liability to the other will exceed an amount equal to the maximum amount that could be payable by you under Section 16(j). Damages to your Home, belongings or property resulting from the installation or operation of the System are covered in Section 7(c) of the Limited Warranty in Exhibit 2.**

**15. Default.**

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

- (a) you fail to make any payment when it is due and such failure continues for a period of ten (10) days;
- (b) you fail to perform any material obligation that you have undertaken in this Lease (which includes doing something you have agreed not

to do, like alter the System) and such failure continues for a period of fourteen (14) days after written notice;

- (c) you or your guarantor have provided any false or misleading financial or other information to obtain this Lease;
- (d) you assign, transfer, encumber, sublet or sell this Lease or any part of the System without Lessor's prior written consent; or
- (e) you make an assignment for the benefit of creditors, admit in writing your insolvency, file or there is filed against you a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent or undertake or experience any substantially similar activity.

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

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

- (a) terminate this Lease and your rights to possess and use the System;
- (b) suspend our performance under this Lease;
- (c) 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;
- (d) require you, at your expense, to return the System or make it available to us in a reasonable manner;
- (e) proceed, by appropriate court action, to enforce performance of this Lease and to recover damages for your breach;
- (f) 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;
- (g) report such non-operational status of the System to your utility, informing them that you are no longer net metering;

- (h) 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;
- (i) recover from you (i) a payment equal to the purchase price as set forth in Section 11(b) of this Lease 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 your Home;
- (j) recover from you (i) all accrued but unpaid Monthly Payments, taxes, late charges, penalties, interest and all or any other sums then accrued or due and owing, plus (ii) the unpaid balance of the aggregate rent, each payment discounted to present value at 5% per annum, plus (iii) reasonable compensation, on a net after tax basis assuming a tax rate of 21%, for the loss or recapture of (A) the investment tax credit equal to thirty percent (30%) of the System cost, including installation; and (B) accelerated depreciation over five (5) years equal to eighty five percent (85%) of the System cost, including installation, and for the loss of any anticipated benefits pursuant to Section 9 of this Lease (Lessor shall furnish you with a detailed calculation of such compensation if such a claim is made); amounts owed by you pursuant to this Section 16(j) shall not be considered consequential damages for purposes of Section 14 of this Lease; or
- (h) use any other remedy available to us in this Lease 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 Lease 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, Lessor does not give up its right to use another remedy. By deciding not to use any

remedy should this Lease be in default, Lessor does not give up our right to use that remedy in case of a subsequent default.

If default results in the System not remaining operational for the entire Lease Term as a result of your actions or inactions, you will be financially liable to return to the applicable utility (on a pro-rated basis) the portion of the incentive payment that relates to the time the System was not operational.

**17. Photographs.**

You agree that Lessor has the right to obtain photographic images of the System and the Property for internal and quality control purposes. Lessor will not use photographic images of the System or the Property in its marketing and promotional materials without first obtaining your express written approval. You agree that during the installation of your System, we can place reasonable signage at your Home identifying Lessor as the project contractor.

**18. Applicable Law; Arbitration.**

**(a) Applicable Law.**

The laws of the state where your Home is located shall govern this Lease without giving effect to conflict of laws principles.

**(b) Arbitration of Disputes.**

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE ARBITRATION OF DISPUTES PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP JUDICIAL RIGHTS TO DISCOVERY AND

APPEAL, UNLESS THOSE RIGHT ARE SPECIFICALLY INCLUDED IN THE ARBITRATION OF DISPUTES PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

I (WE) AGREE TO ARBITRATION.

Accepted by: D [Redacted] 10/17/2018 (homeowner) A [Redacted] ent	
Accepted by: (co-homeowner)	Date of Agreement

LESSOR HEREBY CONSENTS TO ARBITRATION.

We agree that any dispute, claim or disagreement between us (a "Dispute") shall be resolved exclusively by arbitration.

The arbitration, including the selecting of the arbitrator, will be administered by JAMS, Inc. ("JAMS") under its Streamlined Arbitration Rules (the "Rules") by a single neutral arbitrator agreed on by the parties within thirty (30) days of the commencement of the arbitration. The arbitration will be governed by the Federal Arbitration Act (Title 9 of the U.S. Code). Either party may initiate the arbitration process by filing the necessary forms with JAMS. To learn more about arbitration, you can call any JAMS office or review the materials at www.jamsadr.com. The arbitration shall be held in the location that is most convenient to your Home. If a JAMS office does not exist within 50 (fifty) miles of your Home, then we will use

another accredited arbitration provider with offices close to your Home.

If you initiate the arbitration, you will be required to pay the first \$125 of any filing fee. We will pay any filing fees in excess of \$125 and we will pay all of the arbitration fees and costs. If we initiate the arbitration, we will pay all of the filing fees and all of the arbitration fees and costs. When determining whether your award is higher than

Lessor's last written settlement offer your attorney's fees and costs will not be included.

The party bringing the claim can choose to proceed by way of binding arbitration pursuant to JAMS rules or, alternatively, can bring an individual action in small claims court asserting claims within the scope of its jurisdiction.

Only Disputes involving you and Lessor 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 (nonclass, 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 Lessor.

The arbitrator shall have the authority to award any legal or equitable remedy or relief that a court could order or grant under this agreement. The arbitrator, however, is



not authorized to change or alter the terms of this agreement or to make any award that would extend to any transaction other than yours. All statutes of limitations that are applicable to any dispute shall apply to any arbitration between us. The arbitrator will issue a decision or award in writing, briefly stating the essential findings of fact and conclusions of law.

BECAUSE YOU AND WE HAVE AGREED TO ARBITRATE ALL DISPUTES, NEITHER OF US WILL HAVE THE RIGHT TO LITIGATE THAT DISPUTE IN COURT, OR TO HAVE A JURY TRIAL ON THAT DISPUTE, OR ENGAGE IN DISCOVERY EXCEPT AS PROVIDED FOR IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

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

**19. Waiver.**

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

**20. Notices.**

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

**21. Entire Agreement; Changes.**

This Lease contains the parties' entire agreement regarding the lease of the System. There are no other agreements regarding this Lease, either written or oral. Any change to this Lease must be in writing and signed by both parties. If any portion of this Lease is determined to be unenforceable, the remaining

provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable.

**22. Performance and Payment Bonds.**

You or a tenant living in your residence have the right to require us to procure and maintain during System installation a performance an payment bond at your expense.

**23. NOTICE OF RIGHT TO CANCEL.**

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

**The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a Notice of the Three-Day Right to Cancel.**

**24. ADDITIONAL RIGHTS TO CANCEL.**

**IN ADDITION TO ANY RIGHTS YOU MAY HAVE TO CANCEL THIS LEASE UNDER SECTIONS 6 AND 23 UNLESS INSTALLATION OF YOUR SYSTEM HAS ALREADY COMMENCED, YOU MAY ALSO CANCEL THIS LEASE AT NO COST AT ANY TIME PRIOR TO 5 P.M. OF THE TENTH CALENDAR DAY AFTER YOU SIGN THIS LEASE.**

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

**Owner's Name:** Nickolas Peterson

  
10/17/2018

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Co-Owner's Name (if any):**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Horizon Solar Power, LLC: Jim Davidson**

  
10/17/2018

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

CSLB HIS# 00000 SP \_\_\_\_\_

**EXHIBIT 1 (LESSOR COPY)  
NOTICE OF CANCELLATION  
STATUTORILY-REQUIRED LANGUAGE**

**Notice of Cancellation**

**Date of Transaction:** The date you signed the Lease.

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 (Lessor) 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 (Lessor) 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 (Lessor) regarding the return shipment of the goods at the seller's (Lessor) expense and risk. If you do make the goods available to the seller (Lessor) and the seller (Lessor) 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 (Lessor), or if you agree to return the goods to the seller (Lessor) 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 Horizon Solar Power LLC, 27368 Via Industria, Temecula, CA 92590, **NOT LATER THAN MIDNIGHT** of the date that is **3 business days** from the date you signed the Lease.

I, Nickolas Peterson hereby cancel this transaction on \_\_\_\_\_ [Date].

**Lessee's Signature:**

**Co-Lessee's Signature:**

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

Horizon Solar Power | 27368 Via Industria, Temecula, CA 92590 | 855-857-2567 | CSLB #1004233  
Solar Spectrum | 150 Linden Street, Oakland, CA 94607 | 866-786-4255 | CSLB #1032817 Page

**Notice of Cancellation**

**Date of Transaction:** The date you signed the Lease.

**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 (Lessor) 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 (Lessor) 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 (Lessor) regarding the return shipment of the goods at the seller’s (Lessor) expense and risk. If you do make the goods available to the seller (Lessor) and the seller (Lessor) 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 (Lessor), or if you agree to return the goods to the seller (Lessor) 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 Horizon Solar Power LLC, 27368 Via Industria, Temecula, CA 92590, NOT LATER THAN MIDNIGHT of the date that is 3 business days from the date you signed the Lease.**

I, \_\_\_\_\_ Nickolas Peterson hereby cancel this transaction on \_\_\_\_\_ [Date].

**Lessee’s Signature:**

\_\_\_\_\_

**Co-Lessee’s Signature:**

\_\_\_\_\_

**EXHIBIT 2**

**20-YEAR PERFORMANCE GUARANTEE AND LIMITED WARRANTY**

Horizon Solar Power | 27368 Via Industria, Temecula, CA 92590 | 855-857-2567 | CSLB #1004233  
Solar Spectrum | 150 Linden Street, Oakland, CA 94607 | 866-786-4255 | CSLB #1032817 Page

## 1. INTRODUCTION

This 20-Year Performance Guarantee and Limited Warranty (the "Limited Warranty") sets forth Lessor's warranties on the System you are hosting pursuant to our Lease. The System will be professionally installed by Lessor at the address you listed in the Lease. We will refer to the installation location as your "Property" or your "Home." This Limited Warranty begins when we start installing the System at your Home.

## 2. 20 YEAR PERFORMANCE GUARANTEE

### i. Performance Guarantee

Lessor guarantees that the System will generate the guaranteed annual kilowatt-hours ("kWh") of energy during each of the 20 successive Production Years (the "Performance Guarantee Term") as set forth in the Table of Guaranteed Annual kWh attached in Annex I to this Limited Warranty (the "Guaranteed Annual kWh") subject to the terms of this Limited Warranty.

### ii. Production Year Deficit Payment

If at the end a Production Year (defined below), the Actual Annual kWh (defined below) generated by the System is **less** than the Guaranteed Annual kWh (a "Production Year Deficit"), **then we will send you a refund** equal to the difference between that Production Year's Actual Annual kWh and Guaranteed Annual kWh (minus any previous years' surpluses), multiplied by that Production Year's Guaranteed Energy Price per kWh (as set forth in the Table of Guaranteed Annual kWh attached in Annex I to this Limited Warranty). We will make that payment within thirty (30) days of the end of the calendar year in which the Production Year Deficit occurred.

*For example, if a Production Year commenced on October 1, 2014 and ended on September 30, 2015, and had a Guaranteed Annual kWh of 5,000 kWh, and the Actual Annual kWh for that Production Year was only 4,500 kWh, and the Guaranteed \$/kWh Price for that Production Year was \$0.10, then assuming no prior Production Year Surpluses or payments for System Failures applied (as defined below), we would send you a refund for \$50.00 within thirty (30) days after December 31, 2015.*

### iii. Production Year Surplus Carried Over

If at the end of a Production Year the Actual Annual kWh is **greater** than the Guaranteed Annual kWh for that Production Year, there will be no additional cost to you for this surplus energy. However, this surplus will be carried over and used by Lessor to offset any future Production Year Deficits.

### iv. Monitoring

During the Performance Guarantee Term, Lessor will provide you at no additional cost a monitoring service ("Monitoring"), which is a third party proprietary monitoring system that records and displays historical energy generation data and consists of hardware installed by Lessor on site and software accessed by Lessor. If your System is not operating within normal ranges, Monitoring will tell us and we will notify you promptly at the notice address set forth in Section 8, by email (provided by you) or at a telephone number (provided by you).

### v. Definitions

- i. "Actual Annual kWh." means the AC electricity produced by your System in kWh measured and recorded by Lessor during each Production Year. Lessor uses its Monitoring Service described below to measure the Actual Annual kWh. To the extent such service is not available, we will estimate the Actual Annual kWh by reasonable means, subject to the requirements of Section 3(b) below.

- ii. “Production Year.” means the twelve (12) month period beginning on the 1st day of the month following the date on which your System commenced operation, and each successive twelve (12) month period thereafter during the Performance Guarantee Term. For example, if the original interconnection date for your System occurred on March 15, each Production Year would run from April 1 to March 31.

### 3. LIMITED WARRANTIES (a) Limited Warranties

Lessor warrants the System as follows:

- i. System Warranty. During the entire Warranty Period, 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 (“System Warranty”). To the extent there are defects in the workmanship or defects in any part, material or component of your System during the Warranty Period, Lessor will honor the System Warranty and agree to re-perform such work or repair or replace such equipment, at no cost or expense to you (including all labor costs) to correct such defective workmanship or equipment, when you submit a valid claim to us under this System Warranty. If Lessor damages your Property or your belongings, Lessor will repair the damage or pay you for the damage that we caused in accordance with the provisions of Section 7 below. Lessor may use new or reconditioned parts when making repairs or replacements. The Warranty Period is not extended if we repair or replace a warranted product or any parts. Lessor 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 the 20 Year Performance Guarantee above and Output Warranty below.
- ii. Roof Warranty. If we penetrate your roof during System installation, we will warrant roof damage that we cause due to such roof penetrations. This roof warranty will last for the **longer of** (a) five (5) years following the completion of the System installation or (b) the remainder of any then-existing installation warranty on your roof (the “Roof Warranty Period”).
- iii. Output Warranty. The System’s electrical output shall not decrease by more than fifteen percent (15%) during the period starting on the date the System commences operation until the tenth (10th) anniversary of such date.
- iv. Warranty Period Defined. The “Warranty Period” commences on the date your System is inspected by the authority having jurisdiction and runs through the 20th anniversary of such day.

### (b) Maintenance and Operation

- i. General. When the System is installed, Lessor will provide you with a link to its Solar Operation and Maintenance Guide (the “Guide”). This Guide provides you with System operation instructions, answers to frequently asked questions, troubleshooting tips and service information. Lessor will perform all required System maintenance.
- ii. Monitoring Connectivity. Monitoring requires a high speed Internet line to operate. Therefore, during the Lease Term, you agree to maintain the communication link between the on-site monitoring hardware, the System and the Internet. You agree to maintain and make available, at your cost, a functioning indoor Internet connection with one available wired Ethernet port and standard AC power outlet within eighty (80) feet of the System’s AC/DC inverter(s) (which shall not require trenching to access). This communication link must be a 10/100 Mbps Ethernet connection that supports common Internet protocols (TCP/IP and DHCP). If you do not have and maintain a working high speed Internet line we will not be able to monitor the System and provide you with a performance guarantee. Further, if the on-site monitoring hardware is not operational, Lessor will be required to estimate your power usage as set forth in the Lease.

- iii. Module Cleaning. The Guide contains certain recommendations concerning periodically cleaning the solar modules, especially during the summer. If monitoring indicates a drop in actual energy production by the System, Lessor may ask for your cooperation in cleaning the solar modules. This may include arranging for a visit to the System by Lessor, which would be at no charge to you unless one of the Exclusions in Section 3(d) applies.

If your System becomes covered by snowfall, the modules will often be able to heat up sufficiently for the snow to slide off. AS WITH REGULAR SNOW ACCUMULATION ON YOUR ROOF, PLEASE BE AWARE OF FALLING SNOW FROM THE TILTED PANELS AND EXERCISE CAUTION WHEN STANDING OR WALKING UNDER THE EDGE OF YOUR ROOF. PLEASE TRY TO AVOID PARKING YOUR CAR, OR KEEPING OTHER VALUABLES, UNDER THE EDGE OF YOUR ROOF. WE STRONGLY RECOMMEND THAT YOU NEVER CLIMB ONTO YOUR ROOF UNLESS YOU HAVE APPROPRIATE AND PROFESSIONAL SAFETY TRAINING AND MEASURES IN PLACE. UNDER NO CIRCUMSTANCES SHOULD YOU CLIMB ON YOUR ROOF OR OTHERWISE ATTEMPT TO REMOVE SNOW FROM THE PANELS. SUCH ACTIONS COULD RESULT IN SERIOUS BODILY INJURY AND/OR DAMAGE TO THE SYSTEM.

**(c) Making a Claim; Transferring this Warranty**

- i. Claims Process.

You agree to give us timely notice of all warranty claims. You can make a claim by:

- A. emailing us at the email address in Section 8 below; or
- B. writing us a letter and sending it overnight mail with a well-known service.

Warranty service will be performed promptly and typically on site. If the affected equipment requires off site warranty service, Lessor will arrange for its transportation under warranty.

- ii. Transferable Limited Warranty.

Lessor will accept and honor any valid and properly submitted Warranty claim made during the Warranty Period by any person who either purchases the System from you or to whom you properly transfer the Lease. If you have assumed an existing Lease, or purchased the System during the Lease Term, then this Limited Warranty will cover the System for the remaining balance of the Lease Term.

**(d) Exclusions and Disclaimer**

The limited warranties and guarantee 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 Lessor 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 Lessor 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 Lease, but we will not repay you for power it did not produce);
- iii. your failure to perform, or breach of, your obligations under the Lease (e.g., you modify or alter the System); iv. your breach of this Limited Warranty, including your being unavailable to provide access or assistance to us in diagnosing or repairing a problem or failing to maintain the System as stated in the Guide;

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- v. water ponding or puddling on your roof (i.e. standing water that fails to drain) not caused by Lessor or its approved service providers;
- vi. damages resulting from mold, fungus and other organic pathogens, regardless of the cause; vii. superficial changes in the appearance of the System components due to exposure to weather and atmospheric conditions (e.g. chalking or blemishes) that do not impact System performance;
- 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 Lease, 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 ABOVE ARE THE ONLY EXPRESS WARRANTIES MADE BY LESSOR WITH RESPECT TO THE SYSTEM. LESSOR HEREBY DISCLAIMS, AND ANY BENEFICIARY OF THIS LIMITED WARRANTY HEREBY WAIVES, ANY WARRANTY WITH RESPECT TO ANY COST SAVINGS FROM USING THE SYSTEM.

#### 4. LESSOR'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.

#### 5. SYSTEM REPAIR, RELOCATION OR REMOVAL (a) Repair

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

#### (b) Removal

Lessor will remove and replace the System from your roof while roof repairs are being made for a payment of one-thousand dollars (\$1,000.00). You will need to provide storage space for the System during such time.



**(c) Return**

If at the end of the Lease Term you want to return the System to Lessor under Section 11 of the Lease then

Lessor will remove the System at no cost to you. If we penetrated your roof during a System installation, Lessor 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 expected). Lessor will warrant the waterproofing for the longer of one (1) year after it removes the System or (2) the remainder of any then-existing installation warranty on your roof. You agree to reasonably cooperate with Lessor 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.

**6. FORCE MAJEURE**

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

- (a) Lessor, as soon as is reasonably practical, gives you notice describing the Force Majeure Event;
- (b) Lessor'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 Lessor 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 Lessor'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, slowdown, 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 Lessor's failure to have exercised reasonable diligence); power or voltage surge caused by someone other than Lessor including a grid supply voltage outside of the standard range specified by your utility; and failure of equipment not utilized by Lessor or under its control.

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

YOU MAY ONLY RECOVER DIRECT DAMAGES INCLUDING THOSE AMOUNTS DUE PURSUANT TO SECTIONS 3 AND 5 UNDER THIS LIMITED WARRANTY, AND IN NO EVENT SHALL LESSOR OR ITS AGENTS OR SUBCONTRACTORS BE LIABLE TO YOU OR YOUR ASSIGNS FOR SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

**(b) Limitation of Duration of Implied Warranties**

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

**(c) Limit of Liability**

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

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

**8. NOTICES**

All notices under this Limited Warranty shall be in writing and shall be provided by (a) personal delivery, (b) overnight courier, or (c) certified or registered U.S. mail (return receipt requested). A notice shall be deemed received upon personal delivery, confirmation of receipt of facsimile transmission, the promised delivery date after deposit with a reputable overnight courier, or five (5) days after deposit in the mail. Notices shall be sent to the address set forth below or such other address as either Party may specify in writing.

**Notices to Lessor:**

**Notices To You:**

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Horizon Solar Power LLC  
 Attn: Warranty Claim  
 27368 Via Industria  
  
 Temecula, CA 92590  
 Tel: 855-857-2567

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At the installation address, any subsequent address or email address you give us. Change of address notices should be sent to Lessor at the address listed for all other Notices.

**9. APPLICABLE LAW; ARBITRATION**

The governing law and arbitration procedures under this Limited Warranty will be as provided for in the Lease and are incorporated herein by reference.

**10. ASSIGNMENT AND TRANSFER OF THIS LIMITED WARRANTY**

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

**11. ENTIRE AGREEMENT; CHANGES**

This Limited Warranty contains the Parties' entire agreement regarding the limited warranties and guarantees of the System and supersedes any prior or contemporaneous agreement, either written or verbal. There are no other agreements regarding the Limited Warranty, either written or spoken. Any change to this Limited Warranty must be in writing and signed by both Parties.

Horizon Solar Power | 27368 Via Industria, Temecula, CA 92590 | 855-857-2567 | CSLB #1004233  
 Solar Spectrum | 150 Linden Street, Oakland, CA 94607 | 866-786-4255 | CSLB #1032817 Page

## ANNEX I

Table of Guaranteed Annual kWh

Production Year	Guaranteed Energy Price Per kWh	Guaranteed Annual kWh	Cumulative Guaranteed kWh	Total
1	15.70 cents	6,486	6,486	
2	16.16 cents	6,454	12,940	
3	16.63 cents	6,422	19,362	
4	17.11 cents	6,390	25,752	
5	17.61 cents	6,358	32,110	
6	18.12 cents	6,326	38,436	
7	18.65 cents	6,294	44,730	
8	19.19 cents	6,263	50,993	
9	19.75 cents	6,232	57,225	
10	20.32 cents	6,201	63,426	
11	20.91 cents	6,170	69,596	
12	21.52 cents	6,139	75,735	
13	22.14 cents	6,108	81,874	
14	22.78 cents	6,077	87,951	
15	23.44 cents	6,047	93,998	
16	24.12 cents	6,017	100,015	
17	24.82 cents	5,987	106,002	
18	25.54 cents	5,957	111,959	
19	26.28 cents	5,927	117,886	
20	27.04 cents	5,897	123,783	

Important Note: This Table may be updated by Lessor prior to installation of the System. An update would only occur if Lessor or its approved installation contractor determines after physically inspecting your Property that due to unforeseen factors (e.g., as a result of unanticipated shading or roof obstructions, etc.), the System output will be materially lower than originally estimated.

## ASSIGNMENT AND ASSUMPTION OF SOLAR AGREEMENT

This Assignment of Contract (the "Assignment") is made and effective [DATE],

**BETWEEN:** \_\_\_\_\_, (the "Assignor"), an individual selling a home and assigning the contract for a solar system installed on the home located at:

\_\_\_\_\_ **Contract No.:** \_\_\_\_\_

**AND:** \_\_\_\_\_, (the "Assignee"), an individual buying a home and assuming the contract for a solar system installed on the home located at:

\_\_\_\_\_ **Contact e-mail:** \_\_\_\_\_

\_\_\_\_\_ **Contact phone:** \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned Assignor hereby assigns, transfers and sets over to Assignee all rights, obligations, title and interest held by the Assignor in and to the Solar Lease Agreement attached hereto as Exhibit A (The Contract or Contract) for the remaining term of the Contract and Assignee assumes all rights, obligations, title and interest in The Contract and agrees to be bound as per the terms and conditions of The Contract assigned and hereby assumed:

### 1. TERMS

- a. The Assignor warrants and represents that said contract is in full force and effect and is fully assignable.
- b. The Assignee hereby assumes and agrees to perform all the remaining and executory obligations of the Assignor under the contract and agrees to indemnify and hold the Assignor harmless from any claim or demand resulting from non-performance by the Assignee.
- c. The Assignee shall be entitled to any and all energy produced, savings resulting from the reduction of the electric bill if any and is obligated to pay all payments remaining to be paid under the contract, which rights are also assigned hereunder.
- d. The Assignor warrants that the contract is without modification and remains on the terms contained.
- e. The Assignor further warrants that it has full right and authority to transfer said contract and that the contract rights herein transferred are free of lien, encumbrance or adverse claim.
- f. This assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment on the day and year first above written.

ASSIGNOR (Seller)

ASSIGNEE (Buyer)

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Print Name and Title

### Exhibit A

Above attached hereto is the solar lease or power purchase agreement (Contract or The Contract) being assigned by the property seller and assumed by the property buyer as detailed herein above: