



## Lease Transfer Agreement

Paramount Energy Fund I Lessor, LLC c/o SolarCity Corporation 3055 Clearview Way San Mateo, CA 94402	Homeowner Name and Address Kimberly Lynn Clark 11799 Silver Birch Rd. Corona, CA 92883
--	---

### A. Background.

SolarCity Corporation (“SolarCity”) and **Kimberly Lynn Clark** (“Homeowner”) entered into a SolarLease Agreement on 02/07/2014 (the “Lease”), which was subsequently amended on 09/29/2014, under which SolarCity leased Homeowner a solar panel system (the “System”), which Lease was subsequently assigned to Paramount Energy Fund I Lessor, LLC (the “Lessor”).

Homeowner sold/will sell their home to **Shane Simpson** (“Assuming Party”). Homeowner, pursuant to Section 12 of the Lease, desires to transfer all of Homeowner’s rights and obligations under the Lease to Assuming Party.

### B. Assignment.

Homeowner hereby assigns and Assuming Party assumes all of the Homeowner’s rights and non-Monthly Payment obligations under the Lease.

### C. Conditions to Effectiveness of Lease Transfer

Homeowner acknowledges that, until this Lease Transfer Agreement is consented to by Lessor, Homeowner is still responsible for performing under the Lease. If Assuming Party defaults on the Lease and this Lease Transfer Agreement is not consented to by Lessor, Homeowner acknowledges that Homeowner will be responsible for the default. Once this Lease Transfer Agreement is fully executed and consented to by Lessor, Homeowner shall no longer have any obligations under the Lease or with regard to the System, upon transfer of title of the home to Assuming Party.

### D. Monthly Payments

Assuming Party has no Monthly Payments due to Lessor under the Lease.

### E. Term

The following language is added as a new subsection at the end of Section 2 the Lease.  
 Interconnection Date: 01/13/2014

### F. Original Lease.

A true and correct copy of the Lease is attached hereto as Exhibit 1.

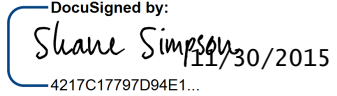
[Signature Page Follows]

IN WITNESS, WHEREOF, Homeowner and Assuming Party hereby agree to this Lease Transfer Agreement.

**Homeowner:** Kimberly Lynn Clark

**Assuming Party:** Shane Simpson

Signature:  92A3DF1414924E9...

Signature:  4217C17797D94E1...

Consented and agreed:

Paramount Energy Fund I Lessor, LLC

**SOLARCITY APPROVED**

  
LYNDON RIVE, CEO  
SolarLease



11/30/2015

**EXHIBIT 1**  
**Lease**

**COVER PAGE**

## ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "Assignment Agreement"), dated as of December 30, 2013 (the "Effective Date"), is made by **PARAMOUNT NEW HOME GROUP, LLC**, a Delaware limited liability company (the "Existing Consumer" or "Assignor"), **Kimberly Clark** the "New Consumer" or "Assignee") and **PARAMOUNT ENERGY FUND I LESSOR, LLC**, a Delaware limited liability company (the "Solar Provider").

### RECITALS

A. The Existing Consumer and Solar Provider previously entered into that certain New Home Prepaid Solar Power Agreement, dated as of October 18, 2013, attached hereto and incorporated herein as Exhibit A (the "Agreement"), with respect to, among other things, the lease of a solar electric generation facility (the "Solar Facility") that was installed at the residence located at 11799 Silver Birch Road, Corona, CA 92883 (the "Property").

B. Existing Consumer has paid the total payments due for the initial twenty (20) year term of the Agreement.

C. As of the Effective Date, (a) Existing Consumer has had the Solar Facility installed on the Property, and (b) Solar Provider shall continue to be the legal owner of the Solar Facility.

D. Subject to the terms and the conditions of the Agreement and this Assignment Agreement, the Existing Consumer wishes to assign to the New Consumer, and the New Consumer wishes to accept and assume from the Existing Consumer, all of the Existing Consumer's right, title, interest in and obligation under the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

### AGREEMENT

1. Assignment and Assumption. Subject to (a) Existing Consumer and New Consumer's submission of the required documents and information; (b) the acquisition of fee title to the Property by Assignee, (c) satisfaction of the terms and conditions set forth in Section [5][6] (Options When the Property is Sold) of the Agreement and (d) Solar Provider's consent under Section 2 below, (i) the Existing Consumer hereby assigns to the New Consumer all of the Existing Consumer's right, title, interests in and obligations under the Agreement and (ii) the New Consumer hereby accepts all of the Existing Consumer's right, title and interest in such Agreement and agrees to be bound by the terms and conditions of the Agreement (collectively, the "Assignment").

2. Solar Provider's Consent to Assignment. Provided that (a) Existing Consumer is not in breach of Existing Consumer's obligations under the Agreement, and (b) the conditions to the Assignment set forth in Section 1 above are satisfied (other than the Solar Provider's consent), Solar Provider hereby consents to the Assignment pursuant to the terms and conditions of this Assignment Agreement. This consent shall not constitute a release or waiver by Solar Provider of Assignor's obligations that arose or accrued prior to the Effective Date.

3. Filing of PUC Notice with County. If the Solar System is located in California, then Solar Provider will file an updated Notice of Independent Solar Energy Producer Contract (the "Notice") on the title of the Property upon the Effective Date in accordance with California Public Utilities Code Section 2869. This Notice does not constitute a title defect, lien or encumbrance against the Property.

4. New Consumer's Acknowledgments.

- a. Review of Documents. New Consumer represents and warrants to Solar Provider that New Consumer has reviewed the Agreement and understands and agrees to its terms and conditions.
- b. Information Submitted. New Consumer represents and warrants to Solar Provider that all information submitted to Solar Provider is true and accurate and contains no material misstatements or omissions. Information submitted by New Consumer will be governed by Solar Provider's Privacy Policy, as available on the website of Solar Provider's fund manager at:  
<http://www.cleanpowerfinance.com/about-us/privacy-policy-and-terms-of-use/>

5. Existing Consumer's Acknowledgments.

- a. Upfront Payment. Existing Consumer acknowledges that all necessary payments under the Agreement have been made to Solar Provider on or prior to the Effective Date of the Assignment Agreement and that nothing is due or owing from Existing Consumer as of the Effective Date of the Assignment Agreement.
- b. Section 6(a)(ii); Transfer of Agreement. Existing Consumer acknowledges that this Assignment is being made pursuant to Section 6(a)(ii) of the Agreement. Accordingly, New Consumer will not be required to meet any credit requirements to transfer the Agreement, and will only be required to sign this Assignment Agreement.
- c. Conditions Prior to Installation of the System. Existing Consumer acknowledges that all conditions set forth in Section 9(a) of the Agreement have been satisfied or otherwise met prior to the installation of the Solar Facility on the Property and prior to the execution of this Assignment Agreement

6. Counterparts. This Assignment Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Assignment Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement. The exchange of copies of this Assignment Agreement and of signature pages by facsimile or email shall constitute effective execution and delivery of this Assignment Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or email shall be deemed to be their original signatures for all purposes.

7. Governing Law. This Assignment Agreement shall be governed by and interpreted in accordance with the laws of the State specified in the Agreement without giving effect to conflict of law principles as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

8. Arbitration. All disputes and claims arising out of or relating to this Assignment Agreement, or any alleged or claimed oral or other agreement related to the Solar Facility shall be resolved by the parties hereto exclusively pursuant to final and binding arbitration. If a party seeks to have a dispute settled by arbitration, that party must first send to the other party, by certified or registered mail, return receipt requested and postage prepaid, a written notice of intent to arbitrate ("Arbitration Notice"). If the parties do not reach an agreement to resolve the dispute within thirty (30) days after the Arbitration Notice is received, either party may commence an arbitration proceeding with the American Arbitration Association ("AAA"). The arbitration proceedings shall take place within a 75 mile radius of the Property,

or such other location as mutually agreed by the parties to any such dispute. Solar Provider shall promptly reimburse New Consumer and Existing Consumer for any arbitration filing fee and, except as provided in the next sentence, Solar Provider will pay all AAA administration and arbitrator fees (the "Administrative Fees"). If the arbitrator finds that either the substance of the claim raised by New Consumer or Existing Consumer, as applicable, or the relief sought by such party is improper or not warranted, as measured by the standards set forth in Federal Rule of Civil Procedure 11(b), then Solar Provider will pay the Administrative Fees only if required by the AAA Rules. If the arbitrator grants relief to Existing Consumer or New Consumer that is equal to or greater than the value of what Existing Consumer or New Consumer requested in the arbitration, Solar Provider will reimburse Existing Consumer or New Consumer for its actual reasonable attorneys' fees and expenses incurred with respect to the arbitration.

EXISTING CONSUMER AND NEW CONSUMER EACH AGREE THAT, BY ENTERING INTO THIS ASSIGNMENT AGREEMENT, THE PARTIES HERETO ARE HEREBY, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IRREVOCABLY WAIVING THE RIGHT TO A TRIAL BY JURY. In addition, each party may bring claims against the another party only in its individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. Further, the parties agree that the arbitrator may not consolidate proceedings for more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding, and that if this specific provision is found unenforceable, then the entirety of this Section 7 clause shall be null and void (except for the jury trial waiver provision in the first sentence of this paragraph, which shall continue in full force and effect).

Judgment on an arbitrator's award may be entered in any court having jurisdiction. All statutes of limitations that are applicable to any dispute shall apply to any arbitration between any parties to this Assignment Agreement. The arbitrator shall have the authority to award any legal or equitable remedy or relief that a court could order or grant. The arbitrator, however, is not authorized to change or alter the terms of this Assignment Agreement or to make any award that would extend to any transaction other than your own. THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING, EXCEPT TO THE EXTENT IT IS SUBJECT TO REVIEW IN ACCORDANCE WITH APPLICABLE LAW GOVERNING ARBITRATION AWARDS. EACH PARTY ACKNOWLEDGES THAT OTHER RIGHTS THAT SUCH PARTY WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.

9. Prior Right of Cancellation. New Consumer acknowledges, agrees and consents that the benefits of Section § 1689.7 under the California Civil Code ( 3 day right to terminate) do not apply to this transaction since such right was previously given to Existing Consumer under the Agreement and is hereby expired.

10. Further Assurances. Each of the parties hereto covenants and agrees, at the reasonable request of the other party hereto and at its own expense, to execute and deliver such further documents and to perform such other acts as may be reasonably necessary or proper and usual to effect this Assignment Agreement.

11. Amendments. Except as specifically modified herein, all terms, conditions and covenants of the Agreement shall remain unchanged and shall continue to remain in full force and effect. No provision of this Assignment Agreement may be amended, modified or waived except by written agreement duly executed by each of the parties.

12. Recitals, Schedules and Exhibits. Except as otherwise provided in this Assignment Agreement, all recitals, exhibits and schedules referred to herein are intended to be and hereby are specifically made a part of this Assignment Agreement.

13. Entire Agreement. This Assignment Agreement, the Agreement, and the exhibits, schedules, documents, certificates and instruments referred to in such agreements, embody the entire agreement and understanding of the parties in respect of the transactions contemplated by this Assignment Agreement.

14. No Third Party Beneficiaries. Notwithstanding anything to the contrary set forth herein, the parties acknowledge and agree that nothing in this Assignment Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Assignment Agreement.


15. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when received if delivered personally or by facsimile transmission with completed transmission acknowledgment, or when delivered or when delivery is refused if mailed by overnight delivery via a nationally recognized courier or registered or certified first class mail (return receipt requested), postage prepaid, to the recipient party at its address set forth on the signature pages hereof (or at such other address or facsimile number for a party as shall be specified by like notice; provided; however, that notices of a change of address shall be effective only upon receipt thereof).

16. Survival. Any provision of this Assignment Agreement that, by its terms, survives the termination of this Agreement shall survive pursuant to such terms.

IN WITNESS WHEREOF, in consideration for the mutual promises set forth in this Assignment Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned have executed this Assignment Agreement by their duly authorized representatives as of the Effective Date.

**ASSIGNOR (EXISTING CONSUMER)**

PARAMOUNT NEW HOME GROUP, LLC,  
a California limited liability company

By:   
Name: Todd Lindstrom  
Its: Authorized Agent

Phone: (916) 740-4920

Address: 8781 Sierra College Blvd.  
Roseville, CA 95661

By signing below, you, the New Consumer, agree that: (a) you have read the entire Agreement including any/all Exhibits, (b) you agree to be bound all the terms of the Agreement and the Exhibits, including without limitation the arbitration provisions set forth in Section 8 hereof and in Part II, Section 18(b) of the Agreement, and (c) you have received a complete copy of this Assignment Agreement, the Agreement, including all exhibits to the foregoing.

ASSIGNEE (NEW CONSUMER)

Signature:

*[Handwritten Signature]*

Printed Name:

*Kimberley Clark*

Phone:

*817-888-0768*

Email:

*kimberley@GMAIL.COM*

Address:

11799 Silver Birch Road  
Corona, CA 92883

SOLAR PROVIDER

PARAMOUNT ENERGY FUND I LESSOR, LLC  
a Delaware limited liability company

By: PEF I MM, LLC,  
a Delaware limited liability company  
Its: Managing Member

By:

*[Handwritten Signature]*

Name:

*Lyndon Rive*

Its:

*CEO*

Phone:

(916) 740-4920

Address:

8781 Sierra College Blvd.  
Roseville, CA 95661





**EXHIBIT A**  
**AGREEMENT**

(Attached)



3055 Clearview Way, San Mateo, CA 94402  
 T (888) SOL-CITY F (650) 638-1029 SOLARCITY.COM

## NSHP AMENDMENT

<b>Homeowner Name and Address:</b>	<b>Co-Owner Name (If Any)</b>	<b>Installation Location:</b>	CA: CSLB 888104
Kimberly Lynn Clark 11799 Silver Birch Road Corona CA 92883		11799 Silver Birch Road Corona CA 92883	

### NSHP REBATE INFORMATION

*From the California Energy Commission New Solar Home Partnership Guidebook: The California New Solar Homes Partnership (“NSHP”) “provides financial incentives and other support for installing eligible solar energy systems on new residential buildings that receive electricity from specified investor-owned utilities.” The California Energy Commission (CEC) implements the NSHP in coordination with the California Public Utilities Commission (CPUC) and NSHP is aimed at “benefit[ing] the end-use customer by directly and exclusively reducing the lease payments for the system or the cost of electricity produced by the system.”*

### NSHP REBATE DISCLOSURES

If otherwise **not** included in the Agreement between SolarCity (the “Solar Provider”) and You (the “Agreement”), you hereby agree to the following amendments to the Agreement:

#### 1. EQUIPMENT & SYSTEM INSTALLATION DESCRIPTION

a. If **not** included in the Agreement, the following “System Description” is included:

##### ITEM

Photovoltaic System: 2.45 kW DC (STC)  
 Modules: Trina Solar TSM-245PA05.08 (10)  
 Inverter(s): Enphase Energy M215-60-2LL-S2x (240 V) (10)

Mounting System  
 Free SolarGuard Solar Energy Monitoring System (20 Years)  
 System Installation

#### 2. STATEMENT OF END-USE CUSTOMER BENEFIT

b. If **not** included in the Agreement, the following “Total of Payments” is included:

Total System Costs:	\$ 12, 005.00
Estimated NSHP Rebate:	\$ (2, 547.00)
SolarCity 20 Year Lease Savings:	\$ (6, 763.00)
Post-Rebate Total Payments:	\$ 2, 695.00

#### 3. SYSTEM PURCHASE & ACCESSIBILITY OPTIONS

If you are not in default under this Lease, you will have an option **at the end of the Lease term, but not sooner:**

- a) to purchase the System for \$9, 712.50 and Section 7 of the Agreement is amended accordingly;
- b) to renew this Agreement pursuant to Section 8(a) of the Agreement; or
- c) if you have not purchased the System or renewed the Agreement, SolarCity will remove the system at no cost pursuant to Section 8(c)(i-iii) of the Agreement.

**4. EARLY TERMINATION PENALTIES**

The following language is added to the end of Section 16:

If the System is removed from its original installation location within the first ten (10) years of the Lease Term, the California Energy Commission may require that SolarCity repay some or all of the NSHP rebate awarded for the System. As lessee of the System, I understand that if the System is removed from its original installation location within the first ten (10) years of the Lease Term at my request or due to my default, I will be responsible for reimbursing SolarCity for the amount of the NSHP rebate repaid to the California Energy Commission.

**5. DESIGNATION OF AUTHORIZED REPRESENTATIVE**

The following language is added to the end of Section 11 of the Agreement:

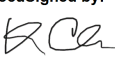
YOU HEREBY AUTHORIZE SOLARCITY TO SIGN AS YOUR AUTHORIZED REPRESENTATIVE ON ALL "NEW SOLAR HOMES PARTNERSHIP" REBATE FORMS.

**6. SUBMISSION OF STATUS REPORT**

The following language is added to the end of Section 11 of the Agreement:

SolarCity is responsible for the submission of the annual status report on the operation of your System as required in Chapter II, Section O., of the NSHP Guidebook.

**I have read this Amendment in its entirety and I acknowledge that I have received a complete copy of this Amendment. This Amendment clarifies and, if applicable, supersedes any prior lease contents from the above-named sections that are inconsistent with the subject matter contained herein.**

**Owner's Name: Kimberly Lynn Clark** DocuSigned by:  
 Signature: \_\_\_\_\_   
92A3DF1414924B9...  
 Date: 9/29/2014

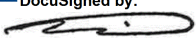
**Co-Owner's Name (if applicable):**

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

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

┌

└

DocuSigned by:  
  
[Solar City ~~Signature Here~~]  
Lyndon Rive, CEO  
897F4C44CCA84EB...

Date: 9/30/2014 \_\_\_\_\_

Date of Issuance: October 18, 2013

**New Home Prepaid Solar Power Agreement – Part I**

This New Home Prepaid Solar Power Agreement is given to you (sometimes referred to herein as "Customer", "you", "You" or "your") by Paramount Energy Fund I Lessor, LLC (sometimes referred to as "we", "us", "our" or "Solar Provider"). Under the Agreement you agree to buy and we agree to sell all the electric energy produced by a solar panel system that we will own (the "System"), to be installed at the address below (the "Property") as described more fully in Part II of the Agreement. This Part I provides answers to some important questions you may have regarding the terms of the Agreement. The answers to the questions below in this Part I are not intended to answer all questions you may have about the Agreement, and only summarize certain terms of Part II of the Agreement. Please read the entire Agreement carefully, as the terms of Part II of the Agreement, and not this Part I, will legally bind you and govern your relationship with us.

<b>Customer(s):</b> Paramount New Home Group, LLC	<b>"Solar Provider"</b> Paramount Energy Fund I Lessor, LLC 8781 Sierra College Blvd. Roseville, CA 95661 Notice of Cancellation may be sent to this address
<b>Property Address:</b> Lot 87@ Aspen 11799 Silver Birch Rd Corona, CA 92883	
<b>Customer Contact Information:</b> 916-740-4290 construction@paramountsolar.com	

<b>How much solar power are you buying and what will it cost?</b> Upfront Payment (due at signing)*: 2,695.00 Install Payment (due at start of installation)*: \$0 Initial Year One Power Production Estimate**: 2,983 Initial Estimate of Guaranteed Power Production, 20-year Initial Term**: 56,913 Average Power Price***: \$0.132 Total of Payments During Initial Term*: \$0 * plus any applicable taxes ** subject to change as described in Part II, Section 3(b) *** used only for calculating credit under Performance Guarantee as described in Part II, Section 3(e)
---

**Official Fees and Taxes:** The total amount you will pay for official fees and taxes over the 20-year Initial Term of this Agreement, whether included with your Monthly Payments or assessed otherwise: \$0.00 (estimated). (The actual total of official fees and taxes you will pay may be higher or lower, depending on the tax rates in effect or the value of the System at the time a fee or tax is assessed.)

The Agreement is only valid if it is signed and returned to us within seven (7) days of the Date of Issuance noted above along with any required Upfront Payment as shown on Page 1 above.

By signing below, you agree that: (a) You have read the entire Agreement including any/all Exhibits, (b) You agree to all the terms of the Agreement and the Exhibits, including without limitation the arbitration provision in Part II, Section 18(b) of the Agreement, (c) You have received a complete copy of this Agreement and the Exhibits, and two copies of a Notice of Cancellation (as defined in Part II, Section 5(g) of the Agreement), and (d) You understand we have the right to confirm your consumer credit report and you agree that we will make the final determination of your eligibility after you have signed and returned the Agreement to us along with any required Upfront Payment as shown on Page 1 above.

**NOTICE:** You, the customer, may cancel this transaction at any time prior to midnight of (a) the third (3rd) business day or (b) the tenth (10th) calendar day after the date you sign this Agreement. See the attached form of Notice of Cancellation for an explanation of this right.

Customer's Name: TODD LINDSTROM Co-Customer's Name (if any): \_\_\_\_\_  
Signature: \_\_\_\_\_ Signature: \_\_\_\_\_  
Date: 10/23/13 Date: \_\_\_\_\_

## New Home Prepaid Solar Power Agreement – Part II

### 1. General.

- (a) **Introduction.** This New Home Prepaid Solar Power Agreement (this “**Agreement**”) is the agreement between each customer who signs page 1 of this Agreement (individually and together referred to in this Agreement as “**Customer**”, “**you**”, “**You**” or “**your**”) and Paramount Energy Fund I Lessor, LLC (together with its successors and assigns, “**Solar Provider**” or “**we**”, “**us**” or “**our**”), for the sale to you of the electric power produced (“**Power**”) by a solar panel system that we will own (the “**System**”) to be installed at your request at the **Property Address** shown on page 1 pursuant to an installation agreement between you and a licensed contractor (“**Installer**”). Because of your agreement to purchase Power pursuant to this Agreement, Solar Provider has agreed, at your request, to purchase the System from Installer following installation. This Agreement refers to the location of the installed System as the “**Property**”. Solar Provider agrees to sell to you, and you agree to buy from Solar Provider, all of the Power produced by the System on the terms and conditions described in this Agreement. **By signing this Agreement, you confirm that you are (i) an owner of the Property signing with the consent and authorization of all other owners of the Property, (ii) You are a trustee if the Property is owned by a trust, or (iii) You otherwise have the legal authority and all necessary legal rights to perform your obligations under this Agreement. Additionally, if you are the owner of the Property, you confirm that the Property is either a primary or secondary residence occupied by you or your immediate family.**
- (b) **In-Service Date.** The **In-Service Date** is the first day after all of the following have been achieved: (i) the System has been installed and is capable of generating electric power (“**Power**”), (ii) all permits necessary to operate the System have been obtained, (iii) the System has been interconnected with the local utility’s electric grid, (iv) all inspections, back-up documentation, and certificates required under applicable law or by the local utility have been provided to us and (v) all conditions listed in Section 9 have been satisfied.
- (c) **Initial Term of Agreement.** The term of this Agreement runs for twenty (20) “years” (240 full calendar months) from the In-Service Date plus, if the In-Service Date is not on the first day of a calendar month, the number of days left in that partial calendar month (such period, the “**Initial Term**”). If the In-Service Date is not on the first day of a calendar month, such initial partial month of the Initial Term is included with the immediately following 12 full calendar months to comprise the first year of the Initial Term. The second year of the Initial Term begins on the first day immediately following the expiration of the first year of the Initial Term, and each subsequent year of the Initial Term begins on the anniversary of the beginning of the second year of the Initial Term. The Initial Term is

subject to possible renewal for up to five (5) one-year renewal terms, as described in Section 8(a) below.

- (d) We estimate that the System will be capable of producing the Initial Year One Power Production Estimate listed on page 1 (“**Initial Year One Power Production Estimate**”) during its first full year of operation but several factors may cause actual Power production to vary. We guarantee that the System will produce the **Guaranteed Power Production** estimated on page 1 and in Exhibit A (as amended, if applicable pursuant to Section 3(b)) during the Initial Term (provided there is no default under this Agreement and provided this Agreement does not end early). Our initial estimate of Guaranteed Power Production during the Initial Term is based on the Initial Year One Power Production Estimate and is subject to change, as described in Section 3(b) below. For the avoidance of doubt, the Initial Year One Power Production and the Guaranteed Power Production include any power production during any partial calendar month included in the first year of the Initial Term.

### 2. Purchase and Sale of Power.

- (a) **Upfront Payment.** You agree to pay Solar Provider the Upfront Payment as shown on page 1 (“**Upfront Payment**”) plus any applicable taxes (see Section 5(b) below). Such Upfront Payment is due on the date this Agreement is signed by you and returned to us.
- (b) **Install Payment.** The Install Payment, as shown on page 1 (“**Install Payment**”) is due at the start of installation of the System. You agree to pay the Install Payment plus any applicable taxes (see Section 5(b) below) on the day installation commences. You agree that the Install Payment as shown on page 1 may increase or decrease based upon changes to the System design arising from conditions that affect the installation of the System that were not known to Solar Provider (see Section 9(a)(i) and (v)) on the Date of Issuance noted on page 1 above. As a result, if the Year One Power Production Estimate changes we will calculate a final Power production estimate (“**Final Year One Power Production Estimate**”). **If paying the Upfront Payment or Install Payment by check, the check should be made to the order of “Paramount Energy Fund I Lessor, LLC”.**
- (c) **Power Price.** The Upfront Payment and Install Payment described above are payment for all of the Power the System produces during the Initial Term, and will not be prorated or partially refunded even if you do not use all of the Power and even if you cannot sell the extra electricity to the local utility.
- (d) The initial average power price per kWh (“**Average Power Price**”) for the Power produced by the System during the Initial Term is listed on page 1, and is calculated as the total of the Upfront Payment plus the estimated Install Payment, divided by the estimated Guaranteed Power Production listed on page 1 of this Agreement. The Install

Payment and Guaranteed Power Production listed on page 1 are each subject to change as described in Section 2(b) above and 3(b) below.

- (e) **Yearly Statements.** During the Initial Term, Solar Provider will send you an annual statement at the end of each year of the Initial Term (see Section 1(c) above) specifying how much Power the System produced the previous year and has produced since the In-Service Date (See Section 1(b)).
- (f) **Address for Statements and Invoices.** We will use the email or Property Address shown on page 1 of this Agreement for your Install Payment invoice, your Yearly Statements, and other invoices or notices we may send you from time to time, unless and until we receive written notice from you of a change to your billing address. We may send you invoices, Yearly Statements and other notices referred to above using e-mail or first class mail, at Solar Provider's option.
- (g) **Additional Power.** If you need more electric energy than is being produced by the System, you will be solely responsible for purchasing that electric energy ("**Additional Power**") from an additional supplier, such as your local utility provider. During the term of this Agreement, you should expect to purchase Additional Power from your local utility from time to time. Solar Provider will not be in default of this Agreement and will not be responsible for any Additional Power purchased by you to augment the Power produced by the System.

### **3. Performance Guarantee.**

- (a) Subject to the conditions and limitations of this Section 3, we guarantee that the System will generate at least the Guaranteed Power Production estimated on page 1 of this Agreement ("**Performance Guarantee**"), as subject to change as described in Section 3(b) below, during the Initial Term of this Agreement (provided there is no default under this Agreement and provided this Agreement does not end early) or we will issue you a refund as described below. For purposes of this Agreement, **Actual Power** will include actual Power produced by the System plus Estimated Power Production (see Section 3(d) below) plus any Power for which you have previously received a refund.
- (b) The Guaranteed Power Production estimated on page 1 of this Agreement is subject to change based on the Final Year One Power Production Estimate we give to you before the installation of the System. If the Final Year One Power Production Estimate is greater than the Initial Year One Power production Estimate by more than 10% or less than the Initial Year One Power Production Estimate by more than 2%, the Guaranteed Power Production estimated on page 1 of this Agreement will be adjusted pro rata with the change in the production estimate (i.e., the Guaranteed Power Production will be multiplied by the result of dividing the Final Year One Power Production Estimate by the Initial Year One Production Estimate). Guaranteed Power Production for the second and all following "years" of the Initial Term (see Section 1(c)

above) will be adjusted by the same percentage of any change in the overall Guaranteed Power Production for the Initial Term. If such an adjustment occurs, we will provide you with a revised version of this Agreement reflecting such changes and you may choose to cancel this Agreement within (a) three (3) business days or (b) ten (10) calendar days of receiving the revised Agreement.

- (c) **Metering.** We will install, at no cost to you, a performance meter to measure the Power output at the interconnection point with the local utility company ("**Point of Delivery**"). We will collect performance meter data remotely or use our personnel to collect the information and will make the data available to you upon request. You agree to allow our personnel access to the Property to collect such information. If the meter breaks or is found to be inaccurate we will adjust our calculation of the System's Power output and repair and/or recalibrate the meter at no cost to you. You agree not to tamper with, damage or modify the meter in any way. You will be responsible for any damage or inaccuracies in the meter that are caused by you or any other person unrelated to us. We will use Estimated Power Production, as described in Section 3(d) below, to determine Power production estimates for periods of time when the meter is not working correctly.
- (d) **Estimated Power Production.** Power generated by the System for purposes of the Performance Guarantee and this Section 3 shall include any Power that would have likely been produced ("**Estimated Power Production**") during any day that the System was unable to produce or produced significantly less Power due to your actions or the actions of any other person unrelated to us. Estimated Power Production will also be included in Power generated by the System for purposes of the Performance Guarantee and this Section 3 if we notify you that something is shading the System causing a reduction in Power generation and you do not promptly remedy or cause to be remedied such shading. However, Estimated Power Production does not include Power that would have been generated by the System during a grid failure that disabled the System and does not include a reduction in Power generation due to our direct action. We will determine the Estimated Power Production during the Initial Term as follows: (i) during the first year of the Initial Term (see Section 1(c) above), based upon the Final Year One Power Production Estimate as provided to you before the installation of the System; and (ii) after the first year of the Initial Term, the average actual monthly Power production of the System since the In-Service Date (excluding any periods where Power production was impacted as described in this Section 3(d) and excluding periods when the performance meter was not working correctly as described in Section 3(c)).
- (e) At the end of the second year of the Initial Term and on every year end thereafter during the Initial Term (provided there is no default under this Agreement and provided this Agreement does not end early) we will



issue you a refund if the Actual Power produced by the System since the In-Service Date is less than the cumulative Guaranteed Power Production through that year as set forth in Exhibit A (as amended, if applicable, pursuant to Section 3(b)). This refund will be calculated by subtracting the cumulative Actual Power produced by the System since the In-Service Date through each applicable year end from the cumulative Guaranteed Power Production through the applicable year end and multiplying the result by the Average Power Price shown on page 1.

- (f) This Performance Guarantee will no longer be in effect if
- (i) the Property is sold, assigned or otherwise transferred to a new home owner without the assignment of this Agreement under the terms of Section 6(a),
  - (ii) you exercise the option to purchase the System as described in Section 7,
  - (iii) after the Guaranteed Power Production has been reached,
  - (iv) after the end of the Initial Term,
  - or (v) if you are in default under this Agreement (see Section 15 below).
- (g) Additionally, should a System performance issue arise that is not or cannot reasonably be handled through normal channels, Solar Provider will use commercially reasonable efforts to respond to any written inquiries for service within ten (10) business days of such inquiry.

**Other than as set forth in this Section 3, we make no representation, warranty or guarantee of any kind regarding the System's actual or expected output or performance.** This Performance Guarantee does not cover any loss of generation resulting from accident, misuse, abuse, negligence, your default of obligations listed in Section 5(a), shading, vandalism, theft, unauthorized tampering or improper operation of the System or components by any party other than us or our agents, or damage caused by Force Majeure as described in Section 13.

**4. Our Additional Obligations.** We agree to:

- (a) provide you with web access to a monitoring device to accurately measure the amount of Power the System delivers to you;
- (b) maintain the System in good operating condition at our cost and expense;
- (c) insure the System, in an amount up to the FMV (as defined below) of the System, against all damage or loss unless that damage or loss is caused by (i) your gross negligence or willful misconduct (including your intentional damage of the System); or (ii) errant golf balls hitting any part of the System due to proximity of the Property to golf courses or driving ranges; and
- (d) operate the System in material compliance with all applicable laws and permits and local utility providers' requirements.

**5. Your Additional Obligations.**

- (a) **System and Property Maintenance.** You agree to:
- (i) provide, or cause to be provided, us continuous access to a working broadband connection. If you fail to maintain, or cause to be maintained, the required

broadband internet or electrical grid connection(s) for a period of time, we may calculate the Performance Guarantee using Estimated Power Production as determined under Section 3(d);

- (ii) keep, or cause to be kept, trees, bushes and hedges trimmed so that the System receives as much sunlight as it did when the System was installed;
  - (iii) ensure that the Property is not modified in any way that shades the System;
  - (iv) be responsible for any conditions at the Property that affect the installation or maintenance of the System (e.g., providing access to the roof, or removing a tree or other natural or man-made object(s) that block access to the roof and/or to sunlight) at your sole cost and expense;
  - (v) ensure that any markings or identification tags on the System are not removed;
  - (vi) ensure that Solar provider and our agents and independent contractors, upon reasonable notice, are permitted to inspect the System for proper operation as we reasonably determine necessary;
  - (vii) ensure the System is used primarily for personal, family or household purposes, but not to heat a swimming pool;
  - (viii) be solely responsible for all damage or loss caused by (x) gross negligence or willful misconduct (including intentional damage of the System) by you or the owner of the Property; or (y) errant golf balls hitting any part of the System due to proximity of the Property to golf courses or driving ranges; and
  - (ix) not do anything, permit or allow to exist any condition or circumstance which would cause the System not to operate as intended at the Property.
- (b) **Fees; Late Charges; Taxes.** In addition to the other amounts you agree to pay in this Agreement, you agree to pay the following:
- (i) **Returned Check Fee:** \$25 (or such lower amount as required by law) for any check or electronic fund transfer or other payment that is returned or refused by your bank;
  - (ii) **Late Payment Fee:** If you fail to make any payment when due, we will impose a late fee of \$25 (or such lower amount as required by law) on any payment we do not receive in full within five (5) days after the due date;
  - (iii) **Taxes:** If applicable, you agree to pay any taxes on all amounts due under this Agreement. This Agreement contains a purchase option (see Section 7). If you exercise any applicable purchase option under this Agreement, you also agree to pay any applicable taxes on the Buyout Price (see Section 7(c)).
  - (iv) **Repossession and System disposition fee:** You agree to pay a repossession and System disposition fee of \$1,250 if you are in default and we remove the System from the Property. (See Sections 8(d) and 16(f) below.)

- (c) **Filings.** You agree that the System will be our personal property under the Uniform Commercial Code of the State of California. You also agree that the System is not a real property fixture. We will not place a lien on title to the Property in connection with this Agreement. You shall ensure that we shall be permitted to file UCC-1 financing statements and/or real property fixture filings related to our ownership interest in the System, and any other notices permitted or required by law. We may assign such filings and any assignee may also file UCC-1 financing statements and/or real property fixture filings related to the System. You also authorize us to make corrections to any utility paperwork to conform to this Agreement or any revisions or amendments to this Agreement that you and we agree upon. You shall ensure that the owner of the Property acknowledges and consents to the filing of a Notice of Independent Solar Energy Producer Contract against the Property in accordance with the California Public Utilities Code.
- (d) **No Alterations.** You agree that you will not, and shall ensure that the owner of the Property does not, make any modifications, improvements, revisions or additions to the System or take any other action that could void the manufacturer warranty on the System without our prior written consent. If you or the owner of the Property make any modifications, improvements, revisions or additions to the System after receiving such prior written consent, they will become part of the System and shall be our property.
- (e) **Access to the System.**
- (i) We shall give you reasonable notice of our need to access the Property whenever commercially reasonable. You shall ensure that we and our employees, agents and independent contractors (including without limitation the Installer) shall at all times during the term of this Agreement have the right to reasonably access all of the Property as necessary for the purposes of (a) 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 our rights as to this Agreement and the System; or (c) taking any other action reasonably necessary in connection with the operation, maintenance, removal or repair of the System. You shall ensure that such access right shall continue for up to ninety (90) days after the expiration of this Agreement in order to provide us with reasonable time to remove the System after the end of this Agreement.
  - (ii) During the time that we have access rights, you shall ensure that such access rights are preserved and shall not interfere with or permit any third party to interfere with our access rights.
  - (iii) You shall ensure that all applicable utility personnel shall at all times have the right to reasonably access all of the Property as necessary for the purposes of interconnection, metering services, and other services

to be performed by such personnel in connection with the System during the term of this Agreement.

- (f) **Indemnity.** To the fullest extent permitted by law, you shall indemnify, defend, protect, save and hold harmless Solar Provider, our employees, officers, directors, agents, successors and assigns from any and all third party claims, actions, costs, expenses (including reasonable attorneys' fees and expenses), damages, liabilities, penalties, losses, obligations, injuries, demands and liens of any kind or nature arising out of, connected with, relating to or resulting from (i) negligence or willful misconduct of you or the owner of the Property or any guests, contractors or agents or the foregoing; or (ii) the presence, disturbance, uncovering, unveiling, release or movement of any hazardous or toxic substance, material or waste, or any other substance, pollutant, or condition that poses a risk to human health or the environment on the Property that was not brought onto the Property by Solar Provider, including but not limited to, Solar Provider's employees and contractors; provided that nothing herein shall require you to indemnify us for our own negligence or willful misconduct. **The provisions of this paragraph shall survive termination or expiration of this Agreement indefinitely.**
- (g) **Payments.** YOU AGREE THAT THE OBLIGATION TO PAY ALL AMOUNTS DUE UNDER THIS AGREEMENT 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 ABOVE IN SECTION 3(B) AND BELOW IN SECTIONS 9, 13(D), THE "NOTICE" ON PAGE 1 OF THIS AGREEMENT, AND IN THE NOTICE OF CANCELLATION, IN THE FORM ATTACHED HERETO AS EXHIBIT B AND INCORPORATED HEREIN BY REFERENCE (THE "**NOTICE OF CANCELLATION**"), YOU HEREBY WAIVE ALL RIGHTS YOU MAY HAVE TO REJECT OR CANCEL THIS AGREEMENT, TO REVOKE ACCEPTANCE OF THE SYSTEM, OR TO GRANT A SECURITY INTEREST IN THE SYSTEM.
- (h) **Notices.** You agree to:
- (i) Notify us immediately upon your discovery of an emergency condition relating to the System, damage to the System or theft of the System;
  - (ii) Notify us of your intent to sell your home (see Section 6 below); and
  - (iii) Notify us before changing your electric power supplier. See Section 19 below for information about sending notices to us.
- 6. Options When the Property is Sold.**
- (a) If the Property is sold to a new owner, you must choose one, and only one, of the following options:

- (i) **Purchase the System Outright.** If the Property is sold after the sixth anniversary of the In-Service Date, you may purchase the System from us. See Section 7 below; or
  - (ii) **Transfer this Agreement and the Use of the System to the New Home Owner.** The person(s) buying the Property will not have to meet any credit requirements and will only need to sign a transfer agreement, in a form acceptable to Solar Provider, to assume your rights and obligations under this Agreement (including without limitation your rights under Sections 3 and 8). The System stays at the Property; the person(s) buying the Property will be required to comply with this Agreement and Solar Provider's obligations under this Agreement will continue through the remainder of the Initial Term and as described in Section 8.
- (b) You shall notify us in writing at least thirty (30) days, but no more than ninety (90) days, prior to the scheduled closing date of any sale of the Property, and such notice shall indicate which of the options in Section 6(a) you have chosen.
- (c) If the Property is sold and you do not comply with one of the options in Section 6(a) above, you will be in default under this Agreement. (See Sections 15 and 16 below).

#### **7. Option to Purchase the System.**

- (a) You have the option to purchase the System at the following times during the Initial Term:
- (i) (Intentionally omitted);
  - (ii) At the end of the Initial Term of this Agreement (see Section 1(c) above);
  - (iii) If the Property is sold during the Initial Term after the sixth anniversary of the In-Service Date (see Section 6 above);
  - (iv) If Solar Provider (including our successors and assigns) materially fails to perform its obligations under this Agreement and such failure is not corrected within thirty (30) days after written notice from you describing the material failure (subject to Section 13 below); and
  - (v) Only with Solar Provider's written consent (which Solar Provider may withhold in Solar Provider's sole discretion) at another time not described above.
- (b) To purchase the System pursuant to Section 7(a), you must notify us in writing at least thirty (30) days, but no more than ninety (90) days, prior to the desired purchase date and deliver payment to Solar Provider within thirty (30) days of receiving an invoice from Solar Provider for the purchase price.
- (c) The purchase price you will pay for the System ("**Buyout Price**") shall be the greater of: (i) the System's appraised fair market value ("**FMV**") at such time; and (ii) the net present value of the future estimated cash, tax benefits and incentives that would have been received by or payable to us under or in connection with this Agreement (assuming Estimated Power Production through the remaining scheduled Initial Term of this Agreement), using

a net present value discount rate of 3%. You acknowledge that the FMV shall include the value of any and all environmental attributes, such as solar renewable energy credits, that the System will likely produce after the purchase date (to the extent that Solar Provider has not already transferred such environmental attributes to third parties pursuant to Section 11 below). Solar Provider will hire an independent appraiser to compute the System's FMV at Solar Provider's expense. If you purchase the System and at the time of purchase the Actual Power through such date is less than the Guaranteed Power Production through such date, Solar Provider will apply a credit towards the Buyout Price for the System. We will calculate this credit by subtracting the Actual Power (see Section 3(a)) through such date from the Guaranteed Power Production through such date, and multiplying that result by the Average Power Price, provided however, that the credit shall be limited to no more than the Buyout Price.

- (d) If you exercise the option to purchase the System, you will be purchasing the System "AS IS, WHERE IS" and Solar Provider will assign you any product and/or workmanship warranties still in effect for the System. However, Solar Provider will not provide any maintenance or repair services after you purchase the System, unless you enter into a separate agreement with Solar Provider, at your expense, for such services. If you exercise the option to purchase the System, the Performance Guarantee will also end, and Sections 3 and 8 of this Agreement will cease to apply.

#### **8. Options at the End of Initial Term.**

- (a) **Automatic Renewal.** Provided that (a) you are not in default under this Agreement (see Section 15 below) and (b) you have not given us written notice of your intent to purchase the System at the end of the Initial Term (as described in Section 6(a)), this Agreement shall automatically renew at the end of the Initial Term for one or more additional one (1) year renewal term(s) (each an "**Automatic Renewal Term**") at a "**Power Price**" equal to the then fair market value of solar generated electricity (as determined by Solar Provider) less ten percent (10%) for a maximum of five (5) one-year Automatic Renewal Terms, unless and until we receive from you written notice at least thirty (30) but not more than ninety (90) calendar days before the scheduled commencement of an Automatic Renewal Term that you do not wish to renew. Solar Provider will send you a notice at least 60 days prior to the end of the Initial Term, and each subsequent one-year Automatic Renewal Term, to (i) remind you of your end of term options and (ii) disclose to you the Power Price for the next scheduled one-year Automatic Renewal term. The Performance Guarantee does not apply to any Automatic Renewal Term.
- (i) **Monthly Bills.** Solar Provider will mail or email you a monthly bill no later than twenty (20) days after the end of each billing period in an Automatic Renewal Term. We may send your monthly bills via email unless

you contact us directly to request that your monthly bills be sent through the U.S. mail. We will use the email or Property Address shown on page 1 of this Agreement unless and until we receive written notice from you of a change to your billing address.

The first billing period will begin on first day of the Automatic Renewal Term (as defined in Section 8(a)). Your monthly bill will reflect charges for Actual Power produced by the System from the previous monthly billing period plus any applicable taxes and fees.

You agree to review each monthly bill promptly for any errors. If you inform us that an error exists on your monthly bill, we will attempt to correct that error prior to your next monthly bill. If you fail to promptly notify us in writing about an error on your monthly bill, we shall bear no liability or responsibility for any losses incurred to the fullest extent permitted by law. Our sole liability to you shall be our obligation to make any appropriate changes after we receive your notification.

- (ii) **Monthly Payments.** Payment for each monthly bill (each, a "Monthly Payment") is due on the due date specified on the monthly bill but will always be at least ten (10) days after the date the monthly bill is sent. For example, a monthly bill for Power produced in May will be sent on or before June 20 with a payment due date that is at least ten (10) days after the monthly bill is sent.

We will calculate your monthly bill during an Automatic Renewal Term by multiplying the kWhs of Actual Power produced by the System times the Power Price in effect at the time the Power was produced, plus any applicable taxes and fees. Your Monthly Payments will change based upon changes to the Actual Power produced by the System from billing period to billing period, and on changes to your Power Price from one Automatic Renewal Term to another.

- (b) **Purchase the System.** You also have the option to purchase the System at the end of the Initial Term. See Section 7 for a detailed explanation.
- (c) If you choose not to renew this Agreement or purchase the System, then there are three (3) possibilities with respect to returning or keeping the System:
- (i) We may at our choosing, remove the System from the Property at no cost to you;
  - (ii) If we do not tell you that we want to remove the System, and you want to have the System removed from the Property at no cost to you, you must notify us as described in Section 19 below; or
  - (iii) If we choose not to remove the System and you do not ask to have the System removed, we will convey the System to you, at no cost to you, on an "AS IS, WHERE IS" basis.
- (d) If at the end or termination of this Agreement you are in default (see Section 15), and we choose to remove the System from the Property, then you agree to pay us a repossession and System disposition fee of \$1,250.

## **9. Conditions Prior to Installation of the System.**

- (a) **Termination of this Agreement Before System Installation.** Solar Provider's obligation to sell you the Power the System produces (and your obligation to pay the Install Payment) is conditioned on the following items having been completed to our reasonable satisfaction:
- (i) completion of the engineering site audit (a thorough physical inspection of the Property, including if applicable geotechnical work), and real estate due diligence to confirm the suitability of the Property for the construction, installation and operation of the System;
  - (ii) confirmation of availability of rebates, tax credits, renewable energy credits and other incentives in the amount used to calculate the Upfront Payment, Install Payment and Guaranteed Power Production amounts set forth in this Agreement;
  - (iii) confirmation that we will obtain all applicable benefits referred to in Section 11;
  - (iv) receipt of any Install Payment as described in Section 2(a);
  - (v) receipt of all necessary zoning, land use and building permits; and
  - (vi) completion of any renovations, improvements or changes reasonably required on the Property, at your sole cost and expense (e.g., removal of a tree or necessary roof repairs to enable us to safely install the System).

We may terminate this Agreement without any liability if, in our reasonable judgment, any of the above listed conditions will not be satisfied for reasons beyond our reasonable control. Once Installer starts installation, however, we may not terminate this Agreement for your failure to satisfy the conditions above.

### **(b) Right to Terminate this Agreement for Significant Changes or Delays.**

- (i) Both parties will have the right to terminate this Agreement, without penalty or fee, if we determine after the engineering site audit of the Property that we have misestimated by more than ten percent (10%) the System's year one power production relative to the Initial Year One Power Production Estimate described in Section 1(d) above. Such termination right will expire at the earlier of (a) seven (7) calendar days before the scheduled System installation commencement date and (b) thirty (30) calendar days after we inform you in writing of the revised Year One Power Production Estimate.
  - (ii) We may terminate this Agreement if, in our reasonable judgment, the In-Service Date (see Section 1(b)) will not occur within 120 days of your signing this Agreement for reasons beyond our reasonable control.
- (c) If this Agreement is terminated under this Section 9, we will refund your Upfront Payment in full within ten (10) calendar days after termination.

## **10. Assignment.**

(a) **Assignment by Us.** Solar Provider may assign, sell or transfer the System and this Agreement, or any part of this Agreement (including the Installation Warranty described in Section 17 below), without your consent and without notice. Assignment, sale or transfer generally means that Solar Provider would transfer certain of our rights and/or certain of our obligations under this Agreement to another party. In the event such assignment is a transfer of all of our or a subsequent assignor's rights and obligations, you agree to release us or subsequent assignors from all future obligations. Any assignment of Solar Provider's rights and/or obligations under this Agreement shall not result in any change to your rights and obligations under this Agreement.

(b) **Assignment by You.** Except as set forth in this Agreement, you will not assign, sell, pledge or in any other way transfer any interest in the System or in this Agreement, without our express prior written consent, which shall not be unreasonably withheld.

**11. Our Ownership of the System; Tax Credits and Rebates.**

You understand and agree that this is not a contract to sell or lease the System to you. Solar Provider will own the System for all purposes, including any data generated from the System. You may not grant any security interest in the System, and you agree to (i) at all times keep the System free and clear of all liens, claims, levies and legal processes not created by us, and (ii) at your expense protect and defend us against the same, at your sole cost and expense. All right and title to the energy, environmental attributes and reporting thereof vest in Solar Provider.

YOU UNDERSTAND AND AGREE THAT ANY AND ALL TAX CREDITS, INCENTIVES, RENEWABLE ENERGY CREDITS, GREEN TAGS, CARBON OFFSET CREDITS, UTILITY REBATES OR ANY OTHER NON-POWER ATTRIBUTES OF THE SYSTEM ARE OUR PROPERTY AND FOR OUR BENEFIT, USABLE AT OUR SOLE DISCRETION. WE SHALL HAVE THE EXCLUSIVE RIGHT TO ENJOY, USE AND TRANSFER 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 US SO THAT WE MAY CLAIM AND TRANSFER 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 OR ASSIGNING THESE TAX CREDITS, RENEWABLE ENERGY/CARBON CREDITS, REBATES OR OTHER BENEFITS OR THEIR CASH EQUIVALENT TO US.

**12. Loss or Damage; Insurance.**

(a) **Loss or Damage.** Subject to Section 5(a)(viii), unless you or the owner of the property, or guests, contractors or agents of the foregoing, are grossly negligent or

intentionally damage the System, we will bear all of the risk of loss, damage, theft, destruction or similar occurrence to any or all of the System.

(b) **Insurance.** Subject to Section 4(c), we will insure the System, in an amount up to the FMV of the System, against all damage or loss unless that damage or loss is caused by your gross negligence or willful misconduct (including your intentional damage of the System). You do not need to add the System to the Property insurance policy.

**13. Force Majeure.**

- (a) Neither you nor we will be in default under this Agreement because of any delay or failure in the performance under this Agreement (including any obligation to deliver or accept the Power produced by the System) if the delay or failure is due to Force Majeure. Force Majeure includes acts of God such as storms, fires, floods, lightning and earthquakes, sabotage or destruction by a third party of the System, war, riot, acts of a public enemy or other civil disturbance, or a strike, walkout, lockout or other significant labor dispute. Force Majeure does not include economic hardship of either you or us, a power grid failure (except if caused directly by a Force Majeure event), a failure or delay in the granting of permits, or insufficiency, unavailability, failure or diminishment of solar resources, except as a result of an event that would otherwise qualify as a Force Majeure.
- (b) Force Majeure cannot be due to fault or negligence on the part of the party claiming Force Majeure and must be caused by things beyond that party's reasonable control. Additionally, you or we (as applicable) must have taken all reasonable technical and commercial precautions to prevent the Force Majeure event.
- (c) In order to claim Force Majeure as a reason for non-performance, you or we (as applicable) must give notice to the other party of the Force Majeure within fourteen (14) days of the occurrence of the Force Majeure and estimate how long it will last and what the potential impact is on this Agreement. The party claiming Force Majeure must (1) make reasonable attempts to continue to perform under this Agreement, (2) quickly take action to correct the problem caused by the Force Majeure, (3) make reasonable efforts to limit damage to the other party, and (4) notify the other party when the Force Majeure event ends and performance will resume as contemplated in this Agreement.
- (d) If you or we are prevented from performing under this Agreement because of Force Majeure for a period of either (i) three hundred sixty-five (365) consecutive days or more, or (ii) five hundred seventy (570) non-consecutive days or more (whether full or partial days), the other party may terminate this Agreement, without liability of either party to the other, upon thirty (30) days written notice at any time during the Force Majeure.

**14. Limitation of Liability.**

EXCEPT AS EXPLICITLY PROVIDED IN THIS AGREEMENT (INCLUDING THE INSTALLATION WARRANTY DESCRIBED IN SECTION 17), NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT, OR CONSEQUENTIAL DAMAGES OR ANY OTHER DAMAGES OTHER THAN DIRECT ACTUAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. EVEN IF A COURT OR ARBITRATOR DECIDES THAT OUR BREACH OF THIS AGREEMENT OR NEGLIGENCE, FAILURE OF THE SYSTEM, OR A FAILURE OF THE INSTALLATION OR ANY REPAIR PROVIDED BY US CAUSED OR ALLOWED ANY HARM OR DAMAGE (WHETHER PROPERTY DAMAGE, PERSONAL INJURY OR DEATH) TO YOU OR ANYONE IN OR ON YOUR PROPERTY, YOU HEREBY KNOWINGLY AND IRREVOCABLY AGREE THAT OUR LIABILITY SHALL BE LIMITED TO THE AMOUNT YOU HAVE PAID US FOR ACTUAL POWER (SEE SECTION 3(a)) THAT HAS BEEN AND WILL BE PRODUCED BY THE SYSTEM.

YOU HEREBY ACKNOWLEDGE THAT YOU UNDERSTAND THAT NO REPRESENTATIVE OF SOLAR PROVIDER, INCLUDING BUT NOT LIMITED TO, THE INSTALLER, HAS ANY POWER TO CHANGE, MODIFY OR MAKE ANY OTHER TERMS OR REPRESENTATIONS WHATSOEVER THAT THOSE HEREIN STATED, AND THAT EACH SUCH REPRESENTATIVE IS ACTING SOLELY AS A SPECIAL AGENT AND ALL REPRESENTATIONS NOT HEREIN SET OUT ARE DEEMED WAIVED.

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

- (a) you fail to perform any material obligation that you have undertaken in this Agreement (which includes doing something you have agreed not to do, including, but not limited to, making any alterations to the System) and such failure continues and is not corrected for a period of fifteen (15) days after written notice;
- (b) you have provided any false or misleading financial or other information to obtain this Agreement;
- (c) you (or your estate or your heirs, as applicable) assign, transfer, encumber, sublet or sell (or attempt to assign, transfer, encumber, sublet or sell) this Agreement or any part of the System without our prior written consent; or
- (d) you make an assignment for the benefit of creditors, admit in writing your insolvency, a bankruptcy petition is filed by or against you, or you are adjudicated bankrupt or insolvent or undertake or experience any substantially similar activity; or
- (e) during any Automatic Renewal Term, we have not received two or more consecutive Monthly Payments in full by their payment due dates.

**16. Our Remedies in Case of Default.** If you are in default under this Agreement, we may take any one or more of the following actions at our option and in our discretion. If the law requires us to do so, we will give you notice and wait the stipulated period of time required before taking these actions. We may do any one or more of the following:

- (a) terminate this Agreement;

- (b) take any reasonable action to correct or cover your default and/or to prevent or reduce our loss (including without limitation costs of repairing damage to the System for which you are responsible); any amount we pay will be added to the amount you owe us and will be immediately due;
- (c) require you, at your expense, to return the System or make it available to us in a reasonable manner;
- (d) proceed, by appropriate court or other action, to enforce performance of this Agreement and/or to recover damages for your default (including without limitation our court costs, attorneys' fees, and other expenses relating to your default, to the fullest extent allowed by law);
- (e) turn off or take back the System by legal process or self-help, but we may not breach the peace or violate the law;
- (f) in accordance with Section 8(d) above, require you to pay us a repossession and System disposition fee of \$1,250 if we remove the System from the Property;
- (g) recover from you the Buyout Price (see Section 7) plus all taxes, penalties, interest and all other sums then accrued or due and owing to Solar Provider. After we receive this amount from you, we will automatically convey the System to you on an "AS IS, WHERE IS" basis; or
- (h) use any other remedy available to us in this Agreement or available at law or equity.

**We also 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 Agreement as required.**

By choosing any one or more of the remedies described above, we do not give up our right to use another remedy. By deciding not to use any remedy when you are in default, we do not give up our right to use that remedy (or any other remedy) in case of a subsequent default.

We may also choose in our discretion to resell the entire repossessed System or individual components of the repossessed System at one or more private wholesale auctions or other private sales, in which case we will credit the net amount received (after deducting reasonable costs of reconditioning, sales commissions, etc. towards the amounts owed under this Agreement.

**17. Installation Warranty.** We provide you with a limited installation warranty, in the form attached hereto as Exhibit C and incorporated herein by reference (the "Installation Warranty"), as follows (in each case as more fully set forth in the Installation Warranty):

- (a) for certain roof damage caused during the System installation, we will repair or pay you for roof damage caused during the installation of the System to areas that are within a three (3) foot radius of any part of the System. This warranty will run for one (1) year following the completion of the System installation;
- (b) for roof penetrations related to the System, we will repair any roof leaks that occur within a three (3) foot radius of any part of the System. This Installation Warranty will run

for two (2) years following the completion of the System installation; and

(c) the System in its entirety, under normal use and service conditions, also will be covered by a ten (10) year warranty, which is transferrable, in each case.

You must notify us promptly and in writing of any claim under the Installation Warranty as outlined in Section 19 below.

EXCEPT AS SPECIFICALLY DESCRIBED IN THIS AGREEMENT, YOU UNDERSTAND THERE ARE NO 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.

**YOU HEREBY (X) WAIVE ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR ANY PURPOSE AND (Y) ACKNOWLEDGE THAT THE SYSTEM AND THE POWER ARE BEING PROVIDED TO YOU IN EACH CASE ON AN "AS IS" AND "WITH ALL FAULTS" BASIS.**

**18. Applicable Law; Arbitration.**

- (a) The laws of the state where the Property is located shall govern this Agreement without giving effect to conflict of law or choice of law principles. However, the Federal Arbitration Act governs our agreement to arbitrate (see subsection (b) below).
- (b) **Arbitration.** All disputes and claims arising out of or relating to this Agreement, or any alleged or claimed oral or other agreement related to the System shall be resolved by the parties hereto exclusively pursuant to final and binding arbitration. If a party seeks to have a dispute settled by arbitration, that party must first send to the other party, by certified or registered mail, return receipt requested and postage prepaid, a written notice of intent to arbitrate ("**Arbitration Notice**"). If the parties do not reach an agreement to resolve the dispute within thirty (30) days after the Arbitration Notice is received, either party may commence an arbitration proceeding with the American Arbitration Association ("**AAA**"). The arbitration proceedings shall take place in a mutually convenient location, as mutually agreed by you and the Solar Provider. We will promptly reimburse you any arbitration filing fee and, except as provided in the next sentence, we will pay all AAA administration and arbitrator fees. If the arbitrator finds that either the substance of the claim raised by you or the relief sought by you is improper or not warranted, as measured by the standards set forth in Federal Rule of Civil Procedure 11(b), then we will pay these fees only if required by the AAA Rules. If the arbitrator grants relief to you that is equal to or greater than the value of what you requested in the arbitration, we will reimburse you for your actual reasonable attorneys' fees and expenses incurred for the arbitration.

**You agree that, by entering into this Agreement, you and we are hereby, to the maximum extent permitted by**

**applicable law, irrevocably waiving the right to a trial by jury. In addition, each party may bring claims against the other party only in its individual capacity and not as a plaintiff or class member in any purported class or representative proceeding.** Further, the parties agree that the arbitrator may not consolidate proceedings for more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding, and that if this specific provision is found unenforceable, then the entirety of this arbitration clause shall be null and void (except for the jury trial waiver provision in the first sentence of this paragraph, which shall continue in full force and effect).

Judgment on an arbitrator's award may be entered in any court having jurisdiction. All statutes of limitations that are applicable to any dispute shall apply to any arbitration between us. The arbitrator shall have the authority to award any legal or equitable remedy or relief that a court could order or grant. The arbitrator, however, is not authorized to change or alter the terms of this Agreement or to make any award that would extend to any transaction other than your own. **THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING, EXCEPT TO THE EXTENT IT IS SUBJECT TO REVIEW IN ACCORDANCE WITH APPLICABLE LAW GOVERNING ARBITRATION AWARDS. OTHER RIGHTS THAT YOU OR WE WOULD HAVE IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.**

**19. Notices.** Unless otherwise specifically required or permitted in this Agreement, all notices under this Agreement shall be in writing and shall be by electronic mail or certified or registered mail, return receipt requested and postage prepaid, and deemed received upon acknowledgment of receipt of electronic mail or five (5) calendar days after deposit in the mail. Notices from you must include your name, the Property Address shown on page 1 of this Agreement, and the Contract ID# printed at the top of each page of this Agreement. Notices you send via electronic mail shall be sent to [notices@paramountsolar.com](mailto:notices@paramountsolar.com). Unless otherwise specifically required or permitted in this Agreement, notices you send via certified or registered mail should be sent to: Paramount Energy Fund I Lessor, LLC, 8781 Sierra College Blvd., Roseville, CA 95661. We will send notices to you using the email or Property Address shown on page 1 of this Agreement unless and until we receive written notice from you of a change to your email or mailing address.

**20. Waiver.** Any delay or failure of a party to enforce any of the provisions of this Agreement, including but not limited to any remedies listed in this Agreement, or to require performance by the other party of any of the provisions of this Agreement, 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 Agreement.

**21. Entire Agreement; Changes; Joint and Several Liability.**

This Agreement contains the parties' entire agreement regarding the sale and purchase of Power generated by the System. There are no other agreements regarding this

Agreement, either written or oral. Any change to this Agreement must be in writing and (except to the extent specifically provided to the contrary in this Agreement) signed by both parties.

Captions and headings used in this Agreement are for convenience and reference only, and shall not affect the interpretation of this Agreement. Unless the context specifically requires otherwise, the use of the plural in this Agreement includes the singular, and vice versa.

Except as specifically provided to the contrary in Section 18(b), if any portion of this Agreement 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.

You agree that if more than one person signs this Agreement as a Property Owner or Co-Owner, each of you is fully responsible, individually and together, for performing all of your obligations under this Agreement, and we may enforce this Agreement against any one (or all) of you, at our option. Your obligations under this Agreement are binding on you, your legal representatives, and your estate, to the fullest extent allowed by law, unless and until we either expressly release you from your obligations in writing, or we transfer ownership of the System to you.

[Signature page follows.]



IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

Paramount Energy Fund I Lessor, LLC,  
a Delaware limited liability company

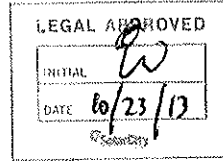
By: PEF I MM, LLC,  
a Delaware limited liability company  
Its: Managing Member

Date: 10-22-13

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

Print Name: LYNDON RIVE

Title: CEO



**NOTICE:** You, the buyer, may cancel this transaction at any time prior to midnight of the (a) third (3rd) business day or (b) tenth (10th) calendar day after the date you sign this Agreement. See the attached form of Notice of Cancellation for an explanation of this right.

Customer's Name: TODD LINDSTROM

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

Date: 10/23/2013

Co-Customer Name (if any):

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

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

**Exhibit A****GUARANTEED POWER PRODUCTION**

On the date you sign and return this Agreement to us, you will pay Solar Provider the Upfront Payment of \$2,695.00, plus any applicable taxes and fees. At the start of installation of the System, you will pay Solar Provider the Install Payment of \$0 plus any applicable taxes and fees. The Average Power Price of \$0.132 is calculated by dividing the sum of the Upfront Payment and Install Payment by the Guaranteed Power Production listed below. As described in Part II, Section 3 of the Agreement, you may be entitled to a refund if the Guaranteed Power Production, as listed below and as adjusted pursuant to Part II, Section 3(b) of the Agreement, is not met.

Year*	Guaranteed Power Production (kWhs)
1	N/A
2	5,951
3	8,905
4	11,844
5	14,768
6	17,677
7	20,572
8	23,452
9	26,318
10	29,170
11	32,007
12	34,830
13	37,639
14	40,434
15	43,215
16	45,982
17	48,736
18	51,475
19	54,201
20	56,913

\*Year is defined in Part II, Section 1(c) of the Agreement.

**Exhibit B**

**NOTICE OF CANCELLATION**

\_\_\_\_\_ (Date)  
(enter date of transaction)

**You may CANCEL this transaction, without any penalty or obligation, within (a) THREE (3) BUSINESS DAYS or (b) TEN (10) CALENDAR DAYS from the above date.**

**If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN (10) CALENDAR DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.**

**If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.**

**If you do make the goods available to the seller and the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.**

**To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to PARAMOUNT ENERGY FUND I LESSOR, LLC, Attention Legal Counsel, 8781 Sierra College Blvd., Roseville, CA 95661 NOT LATER THAN MIDNIGHT OF \_\_\_\_\_ (Date).**

**I HEREBY CANCEL THIS TRANSACTION.**

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Property Owner's signature)

**Exhibit B (continued)**

**NOTICE OF CANCELLATION**

\_\_\_\_\_ (Date)  
(enter date of transaction)

**You may CANCEL this transaction, without any penalty or obligation, within (a) THREE (3) BUSINESS DAYS or (b) TEN (10) CALENDAR DAYS from the above date.**

**If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN (10) CALENDAR DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.**

**If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.**

**If you do make the goods available to the seller and the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.**

**To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to PARAMOUNT ENERGY FUND I LESSOR, LLC, Attention Legal Counsel, 8781 Sierra College Blvd. , Roseville, CA 95661 NOT LATER THAN MIDNIGHT OF \_\_\_\_\_ (Date).**

**I HEREBY CANCEL THIS TRANSACTION.**

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Property Owner's signature)

**Exhibit C**

**Installation Warranty**

See attached.