



Solar System Lease from American Solar Direct Inc.

11766 Wilshire Blvd., Suite 500, Los Angeles, CA 90025
855.SOLAR55 info@americansolardirect.com License 941069

Utility Service Area:
SCE LADWP
SDGE Other
PGE

Customer and Homeowner Information

Form with two columns for customer and homeowner information, including Title, Last Name, Legal First Name, Legal Middle Name, Date of Birth, Cell Phone #, and Email.

- There are more than 2 homeowners. Attach Schedule "A".
The home is held in a trust. Attach Schedule "A" and Certificate of Trust.

Customer gives authorization to ASD to verify the above information and obtain a credit report for the purposes of determining eligibility for the ASD lease.

Installation Site and Customer Premises

Form for installation site information including Street Address, City, State, Zip, Residence Phone #, and HOA information.

Description of Goods to be Leased

Form for description of goods including No. of Panels, Total System Size, Estimated kWh Produced over Term, Panel Brand, Panel Model, No. of Inverters, and Other Equipment.

Table with 3 columns: Amount Due at Lease Signing or Delivery, Monthly Payments, and Total of Payments. Includes down payment of \$1,000 and monthly payment of \$88.51.

Purchase Option at End of Lease Term

You have an option to purchase the ASD System at the end of the Lease Term for the greater of \$30,560 or fair market value.

These are federally required segregated disclosures. Customer should refer to all terms and conditions for additional information on early termination, purchase options, maintenance responsibilities, warranties, late and default charges, insurance, and security interests.

Customer Acknowledgements

Customer assigns to ASD all utility rebates and will not revoke this assignment. Customer understands that the federal tax incentive belongs to ASD.

By signing below, Customer agrees to abide by this Agreement. This Agreement is made up of this page, terms and conditions, and two copies of the Notice of Cancellation.

Signature section with Customer Signature, Date (04/27/2013), ASD Signature, and Solar Consultant Name (MIKE BOURQUE).

## Terms and Conditions

**Customer and ASD acknowledge and agree as follows:**

### 1. Definitions.

**Agreement** means the first page, these terms and conditions, required notices, and two copies of the Notice of Cancellation. Please keep your copy of this Agreement in a secure place.

**ASD** means American Solar Direct Inc.

**ASD System** means the solar panels, together with the racking and/or mounting, wiring, inverter(s), and related installed material and equipment, including any monitoring or other equipment, described in this Agreement or amendment hereto.

**Cap** means an amount equal to the sum of the Contract Price, the estimated Residual Value, and the value of all Incentives.

**Customer** means the Customer or Customers whose name(s) appear(s) on the first page of this Agreement and any Schedule. Any trust in which the Premises are held is also bound by this Agreement.

**Expiration Date** means the date that is 20 years after the Interconnection Date, plus, if the Interconnection Date is not on the first day of a month, the number of days in the partial calendar month starting on the Interconnection Date.

**Incentives** means all local, state, and federal tax incentives, including, without limiting the generality of the foregoing, rebates, grants, credits, and accelerated depreciation.

**Interconnection Date** means the date the ASD System is fully installed and hooked up to the grid.

**Monthly Payment** means the amount set out on the front of this Agreement beside the heading "Monthly Payment".

**Premises** means the Customer premises referenced on the first page.

**Roof** means the roof or other support structure where the ASD System is/is intended to be installed (in the case of a ground-mounted system, Roof means the base area where the ground-mounted ASD System is/is intended to be installed).

**2. Lease.** ASD leases to Customer the ASD System, as will be installed by ASD at the Premises, for the uses permitted herein, and Customer leases the ASD System from ASD. This Agreement applies to and is binding on ASD's successors and assigns and Customer's successors, heirs, powers of attorney and estate. ASD's obligations are conditioned upon: ASD verification of Customer's credit and any handwritten insertions or deletions, including the accuracy of any numbers and calculations on the front page, ASD being able to obtain necessary permits, HOA approvals and utility interconnection, ASD confirmation of the condition and suitability of Customer's Roof after all inspections, and the applicability and availability of all Incentives. Upon ASD's inspection of Customer's Roof, Customer shall enter in to a home improvement contract with ASD for the installation of the ASD System. The cost of such installation is included in the amounts set forth on the first page. In the event that any conditions are not met or waived by ASD in its sole and unfettered discretion, this Agreement shall terminate without any liability by either party to the other and ASD shall return any Customer Down Payment (return of the Down Payment does not apply where Customer terminates this Agreement after the cancellation period). In the event that the ASD System cannot be installed for any reason other than ASD's negligence or Customer's breach of its obligations herein or a termination or cancellation request by Customer, this Agreement shall be deemed terminated with no costs or damages to either party.

**3. Rebates and Incentives.** Customer agrees to become a net metered customer with the local utility, to apply for any rebates applicable to the ASD System, to comply with the obligations of utility rebate programs, and to assign (and transfer) such rebates to ASD. Customer acknowledges having been advised of how to access information about the utility rebate program and Customer understands and agrees to abide by Customer's utility rebate program obligations. Customer agrees that all Incentives, including the federal tax incentives, belong solely to ASD or its assigns.

**4. Ownership.** ASD owns the ASD System including all subsequent additions to it or replacements of it. The ASD System is the personal property of ASD and Customer may not deem, nor take action to make, the ASD System a fixture of Customer's premises. Customer shall only use the ASD System to generate electricity for Customer's use (but not for pool heating). Excess production may be fed into the grid. **Customer may not sell, assign, gift, sublease, transfer, dispose of, allow liens to attach to, nor encumber the ASD System. Customer shall not move nor disturb the ASD System during the Term, except as specifically permitted in paragraph 16 below. To protect the intellectual property of the manufacturer, Customer shall not, and shall not knowingly permit any other party to, reverse engineer, disassemble, or modify the panels in the ASD System, except as may be required to move the system in accordance with paragraph 16 below. If Customer desires or requires repair, destruction, or alteration of the Roof, Customer shall be liable for same and shall be liable for all costs to**

**ensure that the ASD System is replaced in service as soon as possible after such repair, destruction, or alteration. Customer shall continue to pay all ASD invoices. Customer is required to repay all Incentives on a pro rata basis if Customer fails to maintain the ASD System operational for the Term.**

**5. Information, Physical Access, and Easement.** Customer agrees to give ASD all reasonably requested information and documents related to this Agreement, to keep such information updated, and to notify ASD of any changes to Customer's information. Customer agrees to give ASD the fully signed interconnection agreement with the local utility. Customer consents to (a) the recording of calls with ASD; and (b) ASD or its utility or utility program administrator using Customer's email address for all purposes in any way related to this Agreement or utility services in any way related to this Agreement. Customer agrees that Customer information may be disclosed in accordance with all rules related to the Incentives. Customer consents to ASD correcting non-material errors in the information provided on the front page of this Agreement. Customer agrees to give ASD and its employees and agents all necessary physical access to the ASD System, including for repair, modification, monitoring, removal, warranty service, maintenance, and installation. Customer grants ASD an easement over and/or license to access Customer's property to install, repair, modify, install a monitor on, monitor, remove, service, turn off, and maintain the ASD System as necessary or advisable and agrees to maintain such easement and/or license in effect in case of any change in ownership to the property on which the ASD System is installed. This easement and/or license shall extend 3 months past the end of the Term to allow ASD to take the steps necessary to remove the ASD System. Customer shall allow the local utility and government inspectors access to Customer's property, Roof, and meter and the ASD System for testing and other purposes.

**6. Term.** This Agreement is effective upon signature by Customer. The Term of the lease begins on the Interconnection Date and expires on the Expiration Date. At the end of the Term, Customer may (a) purchase the ASD System by paying the greater of (i) the fair market value and (ii) the estimated Residual Value; (b) notify ASD that it wishes to renew this Agreement, and ASD shall advise of ASD's then-current terms; or (c) notify ASD that it does not wish to renew the Agreement, in which case ASD shall have removed the ASD System at ASD's expense. ASD shall ensure that any effect to Customer's Roof arising from the removal of the ASD System after the Expiration Date does not impair the functioning of the Roof. Notwithstanding the foregoing, ASD shall not be liable for any ground or underground work in the event of a ground-mounted system (including, but not limited to, flowers, sprinklers, ground levelling, grass, etc.).

**7. Cancellation.** After the cancellation period reflected on the front page, Customer may not cancel this Agreement. If Customer cancels or terminates this Agreement after the cancellation period, ASD shall be entitled to retain the Down Payment and Customer shall be liable for all of ASD's damages.

**8. Billing and Payment.** Customer shall pay: (a) upon Customer's signature, the Down Payment; and (b) for each month for the Term, the Monthly Payment, payable within 20 days of the date of each invoice. Customer shall make Monthly Payments each month for the Term. Monthly Payments are inclusive of taxes, installation costs, and permit fees. Customer agrees that ASD may send the invoice via US mail or, if Customer has provided an e-mail address, by e-mail. ASD may also notify Customer of an electronic means for accessing invoices, and, unless prohibited by law, provision of such access shall be deemed to be the sending of the invoice. Payments may be made by check or auto-debit. Any payment not approved by Customer's bank shall be subject to a 'dishonored payment' fee of \$25 or such lesser amount permitted by law. Customer agrees to notify ASD 30 days in advance of any change to its debit account. In the event of a late payment, Customer shall be charged and shall pay a late fee in the amount of 1.5% of the outstanding amount, per month, or such lesser amount as may be the maximum permitted by law. This late fee is not an interest charge or finance charge. In the event that ASD must take steps to collect outstanding amounts, Customer shall pay ASD all associated fees and costs, including any collection costs, legal costs, and reasonable attorney fees. Customer shall be responsible to pay ASD any new taxes that may be imposed on the ASD System.

**9. Breach and Liability.** **If there is more than one Customer, the Customers are jointly and severally liable for performance of this Agreement.** If Customer breaches this Agreement, whether by a failure to pay, revocation of assignment of rebates, refusal to permit access to the ASD System, move other than as permitted hereunder, breach of Customer confirmations, representations, acknowledgements, or warranties, termination after the cancellation period, or other breach of this Agreement, or damages the ASD System, or causes harm to ASD, Customer shall pay ASD all damages associated with same, including lost profits, all lost Incentives, collection costs, legal costs and reasonable attorney fees. Customer

understands and agrees that any breach by Customer may result in damages to ASD well in excess of the amounts Customer is required to pay under this Agreement because a breach may result in ASD losing depreciation rights or having to repay lost Incentives that were taken into account in offering Customer a lower lease rate than ASD would otherwise have offered. If ASD breaches this Agreement, ASD shall pay damages associated with such breach, including legal costs and reasonable attorney fees. The insolvency, bankruptcy, or making a petition for the benefit of creditors of either party shall be deemed a breach entitling the other party to all remedies available at law. In the event of Customer's failure to pay invoices when due, Customer's insolvency, or Customer's other breach of this Agreement, ASD may, in addition to the above right to damages and legal costs, repossess and/or shut off the ASD System. In the event of repossession, Customer shall be liable for all damages less any net proceeds ASD may receive from the sale of the ASD System, such sale to be at fair market value. Neither party is liable to the other except for breach of this Agreement. ASD shall not be responsible for paying for electricity used during any repair/replacement period. No party shall be liable for punitive damages. In no event shall either party be liable to the other for more than the Cap plus legal costs and reasonable attorney fees. ASD may use self-help to repossess or turn off the ASD System in the event of Customer's breach but will not breach the peace in so doing. **Except as set forth below, ASD is not liable to Customer for any effect that the ASD System or installation of it may have on Customer's Roof and any warranties Customer may have on Customer's Roof. Customer understands that: (a) Customer's Roof may incur minor damage associated with installation (ASD shall repair installation related damage that affects the functioning of the Roof, excluding landscaping, ground levelling, flower planting, sprinkler repair, etc. for a ground-mounted ASD System); and (b) Customer's Roof warranties, if any, may be voided by installation of the ASD System. Customer shall immediately notify ASD if it becomes aware of any possible defect in the ASD System or the security of the installation or any possible damage. ASD shall not be liable for any damages caused by the ASD System other than as set out herein or in the limited warranty. Customer must contact ASD first in the event of any concern with the ASD System and allow ASD an opportunity to cure any concerns.**

**10. Governing Law and Dispute Resolution.** This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of California, without reference to its conflicts of laws rules. **TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE THEIR RIGHT TO A JURY TRIAL IN RESPECT OF ANY MATTER RELATED IN ANY WAY TO THIS AGREEMENT, MEANING THAT NEITHER PARTY WILL HAVE THE RIGHT TO HAVE A JURY TRIAL ON THE DISPUTE.**

**11. Warranties.** The ASD System comes with a manufacturer's limited warranty. Customer agrees not to take any action that may void or reduce the effect of this limited warranty. **This Agreement contains no warranty, express or implied, regarding any installation or other services, the ASD System, or any other matter whatsoever. A separate limited warranty that is not part of this Agreement is provided to Customer.**

**12. Alterations to this Agreement.** No alterations to the pre-printed terms and conditions of this Agreement are permitted without the signature of a senior executive of ASD whose title is Vice President or above.

**13. Delay.** Delays may arise as a result of failure to obtain a permit, failure to obtain utility approval for hook-up, illness or other lack of availability of installers, or delay in receipt of the ASD System from suppliers. **ASD shall not be liable to Customer for any such delay or other delay.**

**14. Maintenance.** The Monthly Payment includes ASD maintenance. ASD maintenance includes an annual inspection (remote or in person). ASD shall also provide a one-time inverter replacement during the Term, if necessary. If the ASD System is comprised of more than one inverter, a one-time replacement of each inverter is included, if necessary. Maintenance does not include repair other than inherent defects or damage in the ASD System covered by the limited warranty. In the event of damage to or caused by the ASD System not covered by the limited warranty, Customer shall be liable for such damage. ASD will assist Customer in locating qualified and licensed repair technicians, where requested. Due to the nature of the ASD System, there is no specific wear and use standard.

**15. Renewable/environmental attributes.** Customer agrees that all environmental and renewable energy attributes associated with the ASD System, including without limitation all tax credits, incentives, renewable energy credits, carbon offset credits, utility rebates, or other non-power attributes of the ASD System belong to ASD (or, at ASD's election, the utility or another party), and not Customer. Customer agrees to sign documents and assist ASD in its claim to such credits. **Where the premises on the front page are serviced by**

**the Los Angeles Department of Water and Power ("LADWP"), all renewable energy credits belong to LADWP.**

**16. Moves.** Customer agrees that it intends the ASD System to remain in place for the Term. If Customer plans to move or otherwise cease to be the owner of the Customer premises during the Term, Customer shall notify ASD at least 60 days in advance. ASD will offer an assignment agreement to the new homeowner. **As long as the new homeowner agrees to be bound by this Agreement and meets ASD's minimum credit requirements, this Agreement may be assigned to the new homeowner who will then take the benefit and obligations of this Agreement.** Where Customer will place a solar PV system on Customer's new home, ASD will offer a customer loyalty rate. **If the new homeowner does not meet ASD's credit requirements but wishes assignment of this Agreement, Customer and the new homeowner may be offered the right to pre-pay a portion of the remaining amounts due under this Agreement as security in lieu of credit.** If an assignment is refused by the new homeowner, Customer may move the ASD System to Customer's new home if same is within 100 miles of Customer's existing home and is in the State of California, at Customer's cost (including the cost of installation and all additional equipment), so long as such move is in compliance with the requirements of (i) Customer's utility, (ii) programs associated with all Incentives that were taken into account in the original lease rate, and (iii) manufacturers of the ASD System components. If any of the Incentives received by ASD in connection with this Agreement are required to be repaid, or the benefit of the anticipated tax incentive is lost, Customer shall pay such amount to ASD. ASD will offer to perform such move at its then prevailing labor costs. ASD will work with Customer in good faith where a move is necessary.

**17. Insurance.** Customer shall ensure that the ASD System is covered by its home insurance policy and shall maintain such home insurance policy in force for the Term. The insured amount shall be no less than 60% of the Contract Price. If Customer's insurer requires a specific value for the ASD System components, ASD shall supply same to such insurer upon request. If the ASD System is harmed, has caused harm, or is not performing for any reason other than negligence of ASD, or an inherent defect that is covered by the manufacturer's warranty, Customer may only look to its own resources or insurance for compensation and ASD shall be entitled to claim against Customer's insurance (or Customer) for any harm or damage.

**18. No Set-off or Deduction Permitted.** Customer shall be required to continue to pay the Monthly Payments during any failure of, or loss, theft or harm to, the ASD System. **This is an absolute net lease and Customer's obligation to pay the Monthly Payment is not subject to abatement, deduction, set-off, or other reduction.**

**19. Miscellaneous.** The invalidity of any clause shall not affect any other clause. Any invalidity shall be construed as narrowly as possible and the invalid clause shall be replaced by a valid clause as close as possible in meaning. Notices to either party shall be to the addresses on the front or such other address as the parties may from time to time notify each other. Notices shall be deemed received on the date: (a) actually received, as evidenced by a signature of receipt or a fax confirmation; (b) they were sent, in respect of electronic mail where there is evidence of having been correctly sent to the recipient's electronic mail address; or (c) that is 5 days after having been sent by mail. Electronic signatures shall be deemed original signatures. **ASD may sell, assign, transfer, pledge, or grant a security interest in this Agreement, any part of it, or the ASD System, to a third party, without obtaining Customer's consent.** ASD's marketing materials are not part of this Agreement and Customer acknowledges that it did not rely on them in making its decision to enter into this Agreement. This Agreement is the entire agreement between the parties in respect of the matters referenced herein. ASD may change these terms and conditions (but not the Monthly Payment nor Term) upon 30 days notice to Customer. ASD shall notify the utility of any changes to this Agreement, where required.

**20. Liens and Filings.** Customer agrees that ASD is, and for the Term shall be, entitled to file a financing statement or other UCC or similar statement evidencing ASD's ownership of the ASD System while this Agreement is in effect. Customer agrees to sign any additional documents to reflect such interest. ASD releases Customer from any mechanics' liens (pursuant to section 3114 of the Civil Code) upon receipt of the first payment under this Agreement.