

**SOLAR POWER SYSTEM LEASE CONTRACT**

THIS DOCUMENT DESCRIBES THE TERMS AND CONDITIONS OF YOUR LEASE OF A SOLAR POWER SYSTEM THAT WILL BE INSTALLED AT YOUR HOUSE BY SUNBEES GROUP INC DBA TRUE POWER SOLAR UNDER A CONTRACT WITH NRG SUNCAP LLC.

LESSOR: NRG SUNCAP LLC   811 DALLAS STE 1500, HOUSTON TX 77002   (P) 713-655-1180   SUNCAPFINANCIAL.COM		
PROPERTY OWNER: Cheryl Drew	MAILING ADDRESS: 27789 Maywood Bend Dr Sun City, CA 92585-8730	INSTALLER: Sunbees Group Inc dba True Power Solar 451 W. Lambert Rd. 212 Brea, CA 92821
	INSTALLATION ADDRESS: 27789 Maywood Bend Dr Sun City, CA 92585-8730	

Lease Number: 04-0052121725-SCE-SCE00

**1. LEASE**

1.1. Lease. This solar power system lease contract (this "Lease") is the agreement between "you" (which includes the property owner and any co-owner listed above, together with their estates, heirs, successors and assigns), and NRG SunCap LLC, a Delaware limited liability company (together with its successors and assigns, "SunCap" or "we" or "us") covering the lease to you of the solar power system described below (the "Solar System"). The Solar System will be installed by the "installer" listed above and its subcontractors on SunCap's behalf at the home and property at the installation address listed above (the "Property"). This Lease has the following four (4) exhibits:

Exhibit 1 sets forth the monthly Lease Payments to be paid each month during the term of this Lease, as well as the Estimated Prepayment Amount;

Exhibit 2 is the notice of cancellation that you must sign and return according to the instructions below in order to exercise your statutory right to cancel this Lease;

Exhibit 3 is a list of additional rights you may have based on the state in which the Solar System will be installed;

Exhibit 4 is the form of the Authorization Agreement for pre-authorized payments, which you must complete, sign, and return with a copy of a voided check to have the Lease Payments automatically withdrawn from your checking account.

SunCap agrees to lease the Solar System to you for a period of twenty (20) years starting on the day your first Lease Payment is due, plus any partial first month starting on the Production Date. This period of time is the Lease's "Term". The "Production Date" is the day the Solar System is interconnected with the utility's electrical transmission grid and starts producing power.

Solar System Description	
The Solar System is a 3.04 KW DC (STC) photovoltaic system, described as follows:	
Photovoltaic modules: Suntech Power Inverters: SMA America	Monitoring System: Locus model LGATE101 Mounting System: Unirac

1.2. Signature by Both Parties. This Lease shall not be effective unless and until it is signed by you and by SunCap. By signing this Lease, you represent that (i) if you are signing this Lease on your own behalf, you are both (a) at least eighteen (18) years of age and (b) an individual citizen or resident of the United States; (ii) if you are signing this Lease on behalf of a corporation (including an entity treated as a corporation for U.S. federal income tax purposes), such corporation is both (a) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia and (b) not exempt from U.S. federal income taxation; (iii) if you are signing this Lease on behalf of an estate, both (a) such estate's income is subject to U.S. federal income taxation regardless of its source and (b) every person who has an ownership interest in the Property has agreed to be bound by this Lease; (iv) if you are signing this Lease on behalf of a trust, both (a) either (I) a court within the United States is able to exercise primary jurisdiction over administration of such trust and one or more United States persons have authority to control all substantial decisions of such trust or (II) such trust has a valid election in effect under the U.S. Treasury Regulations to be treated as a United States person and (b) every person who has an ownership interest in the Property has agreed to be bound by this Lease; or (v) if you are signing this Lease on behalf of an entity other than as described in clauses (ii), (iii), or (iv) of this Section 1.2, both (a) such entity is either (I) disregarded as an entity separate from its owner (within the meaning of U.S. Treasury Regulation Section 301.7701-2) and its owner is described by either clause (i), (ii), (iii), or (iv) of this Section 1.2 or (II) a "domestic partnership" within the meaning of section 7701(a)(30)(B) of the Internal Revenue Code of 1986, as amended, and (b) such entity is not exempt from U.S. federal income taxation. SUNCAP MAY REJECT THIS LEASE BEFORE SIGNING IT. SUNCAP SHALL HAVE NO OBLIGATIONS UNDER THIS LEASE UNLESS AND UNTIL IT SIGNS THIS LEASE.

**2. PAYMENTS****2.1. Payments.**

<p><b>A. Amount Due at Lease Signing or Delivery:</b>  The "Down Payment" due at Lease signing: \$0.00  First Lease Payment: \$75.76  Tax on first Lease Payment: \$5.87  Delivery/Installation Fee: None.  Total first lease payment: \$81.63</p>	<p><b>B. Monthly Lease Payments (taxes not included):</b>  The Monthly Lease Payments are listed in Exhibit 1. Unless you elect to make a pre-payment in your sole discretion as allowed in Section 2.2, your first monthly Lease Payment is due on the 1st day of the month. All Lease Payments after that are due on the same day of the month.</p>
<p><b>C. Total of Payments:</b>  Unless you elect to make a pre-payment in your sole discretion as allowed in Section 2.2, the total amount you will have paid by the end this Lease is \$28,968.47. (This is the total of the amounts specified in Sections 2.1A, 2.1B and the total estimated sales and use taxes listed in Section 2.3(b); it does not include additional installation costs or other taxes.)</p>	<p><b>D. Purchase Options:</b>  If you are not in default under this Lease, you will have an option to purchase the Solar System at the end of the Lease Term. The price at the end of the Lease Term will be the greater of \$0 or fair market value of the Solar System.</p>

**2.2. Prepayment.** At any time during the Term, and in your sole discretion, you may elect to prepay all of your remaining Lease Payments during the Term (excluding any renewal terms) by paying SunCap a prepayment amount (the "**Prepayment Amount**") equal to the remaining Lease Payments, discounted at the lesser of (a) 4.5% or (b) the prime rate published by the Wall Street Journal plus 2% per annum. This Prepayment Amount may vary from the relevant Estimated Prepayment Amount listed in Exhibit 1, depending on when you pay this amount. If you pay the Prepayment Amount, it will not change either party's other rights or obligations under this Lease or under the separate limited warranty and performance guaranty we are providing you for the Solar System (the "**Limited Warranty**").

**2.3. Estimated Taxes.**

- (a) The Down Payment, Prepayment Amount and Lease Payments do not include taxes. You agree to pay any sales and use taxes on the Down payment, Prepayment Amount and Lease Payments; and any personal property taxes, license and registration fees, assessments, and other taxes, fees, and governmental charges on or related to the Solar System, as invoiced by SunCap or invoiced directly by your local jurisdiction, unless prohibited by law.
- (b) Based on current tax rates as of the date you are signing this Lease, the estimated sales and use taxes you will pay on the Lease Payments during the Term are \$2,083.58.
- (c) If you become the owner of the Solar System, you agree to pay directly or reimburse SunCap for any related sales and transfer taxes, fees, and charges, unless prohibited by law.

**2.4. Additional Payments.** Additionally, you agree to pay the following amounts:

- (a) interest on late payments of 12% annually, but not more than the maximum interest rate permitted by law, together with any reasonable collection costs, attorneys' fees, court costs, and post-judgment collection fees; and
- (b) return check fee or payment denial fee of \$25 each time your bank refuses or returns your check or automatic payment under Section 2.5.

**2.5. Method of Payment.** You agree to pay the Down Payment or, in the case of your election under Section 2.2, Prepayment Amount due under this Lease by sending a check drawn on a U.S. bank account to SunCap's offices or for any Monthly Payment, authorize SunCap to withdraw the payments automatically from your checking account with a U.S. bank.

**2.6. ABSOLUTE PAYMENT OBLIGATION. THIS IS A NET LEASE AND YOU ARE NOT ENTITLED TO ANY REDUCTION OF LEASE PAYMENTS OR ANY OTHER AMOUNTS PAYABLE UNDER THIS LEASE. ALL LEASE PAYMENTS AND OTHER AMOUNTS PAYABLE BY YOU UNDER THIS LEASE SHALL BE MADE ABSOLUTELY AND UNCONDITIONALLY WITHOUT SET-OFF, COUNTERCLAIM, RECOURSE, DEFENSE OR OTHER RIGHTS THAT YOU MAY HAVE AGAINST ANY PERSON WHATSOEVER.**

**3. INSTALLATION PROCESS AND CHANGES**

**3.1. Conditions to Installation.** The obligation under this Lease to install and lease the Solar System is conditioned upon completion of the following, to SunCap's reasonable satisfaction:

- (a) approval of this Lease by SunCap's financing partners;
- (b) receipt of all required building, land use, zoning, and other permits and approvals;
- (c) confirmation by SunCap that all Incentives will be available in the amounts as estimated to calculate the Lease Payments; and
- (d) completion of real estate due diligence and an on-site engineering inspection to determine whether your Property is suitable for installation and operation of the Solar System;

If we determine that any of the above conditions will not be satisfied in a timely manner due to any reason beyond our reasonable control, or if we determine that the economic terms or other circumstances make it impracticable to install

or maintain the Solar System, then we may cancel this Lease by refunding any Down Payment you paid, and we will not owe you any other amounts under this Lease.

**3.2. System Design and Approval.** Prior to the installation of the Solar System, you will receive a copy of the Solar System's design, after which you will have five (5) business days to request a change to the design or approve the design. If, within five (5) business days, you do not request to change the design of the Solar System, you will be deemed to have approved the design of the Solar. With your deemed or written approval, the Solar System may be installed at any time. If you request a change to the design of the Solar System, we will use commercially reasonable efforts to accommodate your request so long as, in the event such change decreases the expected output of the Solar System or increases the cost of the Solar System or its installation, you agree to (i) a corresponding increase in the Lease Payments, and (ii) if applicable, a corresponding decrease in the Guaranteed Power (as defined in the Limited Warranty). Such changes to the Lease Payments and any agreed changes to the Solar System specifications in this Lease will be documented in an amendment to this Lease signed by you and SunCap, and the changes to the Guaranteed Power (as defined in the Limited Warranty) will be documented in an amendment to the Limited Warranty signed by you and SunCap.

**3.3. Right to Cancel Lease Due to Misestimation.** If we determine that the Solar System's size, cost, or energy production has been misestimated by more than seven percent (7%), either party may cancel this Lease and SunCap shall refund any Down Payment you paid, and we will not owe you any other amounts under this Lease.

**3.4. Excluded Work.** Neither SunCap nor the Installer is required to perform or provide any of the following excluded work in connection with the installation of the Solar System: (i) removal, disposal, or remediation of any hazardous materials existing at the Property; (ii) removal, disposal, or remediation of any fungus, mold, mildew, or other organic pathogens existing at the Property; (iii) removal or replacement of structural deterioration, rust, rot, or insect-infestation existing at the Property; (iv) replacement or improvement to the existing roof or structural framing of any part of the Property; (v) replacement or improvement to the existing electrical system at the Property; (vi) replacement or improvement to bring any portion of the existing Property up to local code; (vii) correction of any construction errors, omissions, or deficiencies by you or your contractors (other than the Installer); (viii) installation of sprinklers, smoke detectors, or life safety equipment required by inspectors or the law as a result of the installation of a Solar System; (ix) removal, replacement, or relocation of any vegetation, existing equipment, or other existing obstacles at the Property; (x) relocation of any items that are not associated with a Solar System; (xi) painting of electrical boxes or conduit; or (xii) municipal design or architectural review or any other specialty permits or attendance at public hearings, notification of neighbors, or additional drawings in connection with the foregoing. If any of the foregoing excluded work must be performed in order to install properly the Solar System, you agree to contract separately with the Installer or a third-party contractor to perform the excluded work, at your expense.

**3.5. Documentation; Permits.** You agree to execute and to assist SunCap and Installer in obtaining all documentation and permits related to the Solar System in a timely manner, including Incentives and Net Metering Service applications. Furthermore, you agree to authorize SunCap to make corrections to the utility paperwork to conform to this Lease or any amendments to this Lease both parties sign. If Installer or SunCap is unable to obtain any Incentives solely as a result of your delay in assisting either SunCap or Installer, your Lease Payments will be increased pursuant to Section 3.2 by the amount of the Incentives that we or the Installer was unable to obtain.

**3.6. Waste Materials.** Installer shall keep the Property, as of the end of each business day, reasonably free from accumulation of waste materials caused by the installation of the Solar System.

**3.7. Cancellation Due to Delay.**

- (a) If Installer fails for a period of one hundred eighty (180) days after you approve or are deemed to approve the design, to provide for the installation of the Solar System as required by this Lease, and if you have performed all of your duties under this Lease, then so long as the delay is not due to a utility, you may cancel this Lease and SunCap will refund to you any Down Payment you paid.
- (b) If you cause the installation or setup of the Solar System to be delayed for a period of one hundred eighty (180) or more days after you approve or are deemed to approve the design, SunCap may cancel this Lease without refunding the Down Payment.

#### **4. OWNERSHIP**

**4.1. Ownership of Solar System.** You agree that SunCap is the owner of the Solar System and all data generated by the Solar System. You further agree that you will keep the Solar System free and clear of all claims, liens, levies, and other charges and encumbrances not created by SunCap. You agree that the Solar System is SunCap's personal property for purposes of the Uniform Commercial Code and shall not be considered a fixture.

**4.2. Loss or Damage to Solar System.** SunCap will bear the risk of loss and damage to the Solar System, excluding loss and damage caused by you or your invitees. If the Solar System suffers loss or damage, you shall continue to pay the Lease Payments and you shall not be excused from any of your other obligations under this Lease.

**4.3. Ownership of Electricity.** You agree that you are the owner of all electricity produced by the Solar System during the Term and that you have control and title to electricity produced by the Solar System prior to the time, if any, when it is delivered to the transmission grid and transferred to the local utility.

## 5. YOUR SOLAR SYSTEM OBLIGATIONS

### 5.1. General Obligations. You agree:

- (a) to notify us immediately if any part of the Solar System is stolen or damaged, or if any other emergency situation exists regarding the Solar System;
- (b) to notify us within 24 hours if the Solar System is not working properly;
- (c) to have the Solar System moved, removed, or repaired only according to the Limited Warranty, and to cooperate with those repairs;
- (d) not to do anything to the Solar System that invalidates or voids the Limited Warranty;
- (e) not to change or remove the tags or markings on the Solar System;
- (f) not to do anything to your Property that shades the Solar System and to trim trees, shrubs, and other vegetation that shade the Solar System more than it was shaded at the time of installation;
- (g) not to do anything to your Property or allow any condition that results in the Solar System failing to perform as originally intended or in the Solar System no longer being connected to the local utility;
- (h) not to use the Solar System to heat a pool;
- (i) to provide a safe work area at your Property for installing and maintaining the Solar System; and
- (j) to clean and maintain the solar panels regularly according to the Solar System user manual.

5.2. Access Rights. You agree to cooperate reasonably with and to give us, the Installer, and our other contractors and agents reasonable access to all of the Property: (a) to design, install, test, operate, inspect, improve, repair, replace, move, and remove the Solar System and any related equipment near the Solar System or necessary to interconnect the Solar System to the electrical system of your Property or your local utility; (b) to take any other action relating to the Solar System, this Lease, or the Limited Warranty; and (c) to allow SunCap to enforce its rights under this Lease and under applicable law. We will notify you before we access your Property, if commercially reasonable, and will reasonably cooperate to schedule our visits at times that minimize inconvenience to you. You agree that we may access your Property until one hundred twenty (120) days after the Term of this Lease expires, for us or our contractors or agents to remove the Solar System from your Property as permitted by this Lease.

5.3. Preservation of Access and Ownership Rights. You grant SunCap an easement to access and a right to preserve our access and ownership rights of the Solar System and we may file a UCC-1 financing statement or fixture filing to record our interest in the Solar System. If we request, you agree to complete, execute, and return within ten (10) business days any documents that we deem reasonably necessary to preserve our access and ownership rights in the Solar System.

5.4. Meter; Net Metering Service. You agree to use an electric meter that will be provided and installed at no cost to you. The electric meter will measure all electricity delivered to you from the Solar System. You agree not to tamper with, modify, or damage the meter. Additionally, you agree to utilize the applicable net metering service ("**Net Metering Service**") available from your local utility, or if Net Metering Service is not available from your local utility or is discontinued, a net metering program chosen by SunCap.

5.5. Photos. You agree that we may take photos of the Solar System and use the photos and any graphical representations of the Solar System in marketing or other promotional materials.

5.6. Warranty Limitation. Installation of a Solar System may void any existing roofing warranty of the roof manufacturer or roof installer. SunCap assumes no responsibility in relation to any existing roofing warranties, whether voided or not, after or during the installation of the any Solar System, except to the extent expressly set forth herein.

5.7. Installer Not SunCap's Agent. You understand and agree that Installer is an independent contractor of SunCap and not the agent of SunCap and has no authority to modify this Lease, the Limited Warranty or any other document or agreement between you and SunCap. You further understand and agree that Installer or Subcontractor are not parties to this Lease or the Limited Warranty and have no rights or obligations under this Lease or the Limited Warranty.

## 6. ENVIRONMENTAL ATTRIBUTES AND INCENTIVES (INCLUDING RENEWABLE ENERGY CREDITS)

6.1. Environmental Attributes. In this Lease, "**Environmental Attributes**" means all existing and future fuel, emissions, air quality, and other environmental characteristics, credits, benefits, reductions, offsets, and allowances (including green tags and carbon and other emissions offsets, credits, benefits, reductions, and claims): (i) resulting from the generation or use of electricity by the Solar System, (ii) resulting from the avoidance of the emission of any gas, chemical or other substance to the air, soil or water attributable to the generation or use of electricity by the Solar System, or (iii) arising out of any law, rule or regulation, in each case whether federal, state, or local.

6.2. Incentives. In this Lease, "**Incentives**" means all existing and future Environmental Attributes, tax credits, depreciation, and other tax benefits, treasury and other cash grants, utility and other rebates, incentives, subsidies, and renewable energy credits and certificates related to the Solar System (including its installation, operation, ownership, and generation of electricity) and any other non-power characteristics of the Solar System, in each case whether federal, state, or local.

6.3. **Rights in Incentives.** All right, title, and interest in and to the incentives shall be the property of SunCap and shall be usable in its sole discretion for its exclusive benefit, whether those benefits exist now or in the future. You hereby assign to SunCap all of your existing and future rights to the incentives and their benefits, including any amounts paid or payable to you in respect of the incentives. You agree to cooperate reasonably and to assist SunCap in obtaining the incentives and their benefits, including by completing and filing applications and assignments. You authorize SunCap to make corrections to any applications for incentives to conform them to this Lease.

6.4. **Tracking.** You acknowledge and agree that SunCap shall have the exclusive right to report ownership of any incentives generated by the Solar System under any tracking system for Environmental Attributes or any emissions trading, tracking or reporting program (whether voluntary or involuntary).

6.5. **Claims and Representations.** Because SunCap owns all right, title, and interest in and to the incentives associated with the electricity produced by the Solar System, you acknowledge and agree that the electricity generated by the Solar System has been stripped of its environmental benefits and that the electricity you receive from the Solar System is no longer renewable energy or solar power and you further agree not to make any claims or representations to the contrary.

**7. WHAT HAPPENS IF YOU SELL YOUR HOME**

If you sell your Property before the end of the Term and either (i) you have already prepaid all Lease Payments or (ii) the buyer meets our credit requirements, you may transfer your remaining rights and obligations under this Lease to the buyer, if the buyer agrees. If you still owe any Lease Payments and the buyer does not meet our credit requirements, or if you elect otherwise, you may prepay the remaining Lease Payments under Section 2.2 and transfer your remaining rights and obligations under this Lease to the buyer, if the buyer agrees. In either case, we will not charge you or the buyer a fee for the transfer, but you will remain liable for all of your obligations under this Lease and for any remaining rights and obligations under this Lease are transferred from you to the buyer. Only after the transfer agreement is signed by you, the buyer, and SunCap have signed a transfer agreement under which all of your remaining rights and obligations under this Lease are transferred from you to the buyer. You must give us at least one (1) month's, but not more than four (4) months, prior written notice if you want to transfer any of your rights and obligations under this Lease to someone else.

EXCEPT AS PROVIDED ABOVE IN THIS SECTION 7, YOU WILL NOT SELL, PLEDGE, ASSIGN, SUBLEASE, OR TRANSFER YOUR RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR YOUR INTEREST IN THE SOLAR SYSTEM WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH WE MAY WITHHOLD IN OUR SOLE DISCRETION.

**8. WHAT HAPPENS AT THE END OF THE TERM**

8.1. **Renewing this Lease.** This Lease will expire at the end of the Term unless you elect to renew it. You have the right to renew this Lease up to four (4) times, for periods of five (5) years each, so long as you meet SunCap's credit requirements. The Lease Payments during any renewal period will be based on the fair market value of the Solar System as of the first day of that renewal period, as determined by us based on readily available independent information or, at your request, as determined by an independent appraiser paid by you. To purchase the Solar System, you must notify us at least sixty (60) days prior to the end of the Term and you must pay the amounts due within thirty (30) days of receiving the invoice we send you. Once the Term ends and we have received and processed your payment in full, you shall become the owner of the Solar System conveyed to you "as is, where is".

8.2. **Purchasing the Solar System.** At the end of the Term, if you are not in default under this Lease, you will have the option to purchase the Solar System at the greater of \$0 or fair market value of the Solar System at that time as determined by us based on readily available independent information or, at your request, as determined by an independent appraiser paid by you. To purchase the Solar System, you must notify us at least sixty (60) days prior to the end of the Term and you must pay the amounts due within thirty (30) days of receiving the invoice we send you. Once the Term ends and we have received and processed your payment in full, you shall become the owner of the Solar System conveyed to you "as is, where is".

8.3. **Intentionally left blank.**

8.4. **Taking Other Actions.** If you do not renew this Lease or exercise your option to purchase the Solar System at the end of the Term, then within ninety (90) days after the Term expires:

- (a) if you are not in default under this Lease at the end of the Term and we request to remove the Solar System, then you may remove the Solar System at no cost to you;
- (b) if you are in default under this Lease at the end of the Term and we request to remove the Solar System, then you will pay for us to remove the Solar System;
- (c) if you are not in default under this Lease at the end of the Term and we have not requested to remove the Solar System, then you may make a claim under the Limited Warranty requesting that we remove the Solar System at no cost to you within one hundred twenty (120) days after the Term expires; and
- (d) if neither we nor you request to have the Solar System removed, then at the end of the 90-day period, you shall become the owner of the Solar System conveyed to you "as is, where is", to the extent not prohibited by applicable state law.

9. WARRANTY

EXCEPT AS EXPRESSLY PROVIDED IN THE LIMITED WARRANTY, SUNCAP MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SOLAR SYSTEM OR ITS INSTALLATION, DESIGN, OR PERFORMANCE. EXCEPT TO THE EXTENT PROHIBITED BY APPLICABLE STATE LAW, SUNCAP DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

10. DEFAULT

10.1. EVENTS OF DEFAULT. YOU WILL BE IN DEFAULT OF THIS LEASE IF YOU SELL, PLEDGE, ASSIGN, SUBLEASE, OR TRANSFER YOUR RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR YOUR INTEREST IN THE SOLAR SYSTEM WITHOUT OUR PRIOR WRITTEN CONSENT. Additionally, you will be in default if (a) you do not make a payment within ten (10) days after the due date; (b) you violate any other obligation under this Lease and such violation continues for fifteen (15) days after you receive written notice; or (c) you provide false or misleading information to us. You will also be in default if you voluntarily commence bankruptcy, insolvency, reorganization, stay, or similar debtor-relief proceedings, or if any of the foregoing proceedings are brought involuntarily against you, or if you become insolvent or generally do not pay debts as they become due, or admit in writing your inability to pay debts, or make an assignment for the benefit of creditors, or if a writ of attachment or execution is levied on the Solar System and is not released or satisfied within ten (10) days, or if a receiver is appointed in any proceeding or action to which you are a party with authority to take possession or control of the Solar System, or if the Property is subject to foreclosure.

10.2. Remedies. If you are in default under this Lease, we have the right to take one or more of the following actions and any other action available to us under this Lease or at law or in equity: (a) take action to prevent loss, correct your default, or otherwise enforce performance of this Lease, by court action or otherwise; (b) terminate this Lease and your interest in the Solar System; (c) require you to return the Solar System at your cost or allow us to access the Property and remove the Solar System at your cost; (d) take back the Solar System with or without court order or other process of law, so long as we are within our rights under the law; and (e) recover damages for your breach, including (i) all accrued and unpaid Lease Payments, taxes, penalties, interest and all other amounts then accrued or due and owing under this Lease, plus (ii) the unpaid balance of the remaining Lease Payments, discounted to present value at the lesser of (x) 4.5% or (y) the prime rate published by the Wall Street Journal plus 2% per annum, plus (iii) reasonable compensation (on a net after tax basis assuming a tax rate of 35%) for the loss or recapture of (A) the investment tax credit or cash grant equal to 30% of the basis of the Solar System for U.S. federal income tax purposes; (B) any other incentives or their benefits (in respect of which SunCap will provide you with a detailed calculation of the resulting compensation if SunCap makes a claim for such compensation), and (C) accelerated depreciation over five (5) years equal to 85% of the Solar System cost, including installation. Additionally, you agree to pay us for all reasonable costs and expenses we incur due to your default, including costs and expenses to prevent loss, correct your default, remove the Solar System, or take other action permitted under this Lease. If we choose to exercise a remedy, we are not restricted from exercising other remedies. If we choose not to exercise a remedy, we are not restricted from exercising it in the future.

11. INSURANCE; INDEMNITY; LIMITATION OF LIABILITY

11.1. SunCap Insurance. SunCap shall insure the Solar System against loss and damage, excluding loss and damage that is caused by your gross negligence or intentional misconduct.

11.2. Your Insurance. You agree to insure your Property during the Term under a homeowner's insurance policy. You are responsible for notifying your insurance provider of the Solar System and of determining whether the Solar System impacts your existing insurance coverage. You are also responsible for making any necessary additions or corrections to your insurance policy; alternately, you shall be responsible for the consequences of failing to make such additions or corrections.

11.3. INDEMNITY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU AGREE TO INDEMNIFY AND HOLD HARMLESS SUNCAP AND ITS OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS ("SUNCAP PARTIES") FROM ALL CLAIMS, ACTIONS, LOSSES, LIABILITIES, DAMAGES, JUDGMENTS, ENCUMBRANCES, AND COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) OF ANY KIND OR NATURE WHICH ARISE OUT OF OR RESULT FROM YOUR NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR FROM THE ELECTRICITY PRODUCED BY THE SOLAR SYSTEM, PROVIDED THAT YOU SHALL NOT BE REQUIRED TO INDEMNIFY ANY SUNCAP PARTY FOR ITS OWN GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT. THIS SECTION 11.3 SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS LEASE.

11.4. Limitation of Liability. Notwithstanding any other provision of this Lease, your total liability under this Lease, excluding claims under Section 11.3, shall not exceed the maximum amount that could be payable by you under Section 10.2. Notwithstanding any other provision of this Lease, SunCap's total liability under this Lease shall not exceed the sum of the Lease Payments over the entire Term of this Lease, reduced by all amounts paid by SunCap under the limited Warranty. THIS AMOUNT OF LIABILITY IS YOUR SOLE AND EXCLUSIVE REMEDY, AND YOU HEREBY WAIVE ALL OTHER REMEDIES OR DAMAGES AT LAW OR EQUITY, INCLUDING ANY DAMAGES FOR NEGLIGENCE OR STRICT LIABILITY OR ANY OTHER GREATER RIGHTS THAT YOU MIGHT HAVE UNDER THE LAWS OF CALIFORNIA, WHICH YOU SHOULD CONSULT.

11.5. No Consequential Damages. Each party may only recover direct damages under this Lease. In no event shall you or SunCap, its employees, contractors, or agents be liable under this Lease for, nor shall a court or arbitrator assess, any indirect, incidental, or consequential losses or damages, including losses of use, profits, business opportunity, reputation or financing, or any punitive damages, special damages, mental anguish damages, or pain and suffering damages, whether arising in contract, warranty, tort (including negligence), strict liability or otherwise.

## 12. ARBITRATION

**12.1. Arbitration of Claims.** Unless prohibited by State law, any dispute, controversy, difference or claim arising out of or in connection with this Lease, or the breach, cancellation, or termination or validity of this Lease, which cannot be amicably resolved by the parties shall be submitted to final and binding arbitration in Sun City, California, in accordance with Commercial Arbitration Rules of the American Arbitration Association (the "**AAA Commercial Rules**"), except as provided in Section 12.8. While a dispute, controversy, difference or claim is being resolved under this Section 12, the parties shall continue to perform their obligations under this Lease. The arbitration shall be conducted by one arbitrator appointed in accordance with the AAA Commercial Rules.

**12.2. Finality of Award.** Unless prohibited by State law, the parties agree that the award of the arbitrator (the "**Arbitration Award**"): (i) shall be conclusive, final, and binding upon the parties; and (ii) shall be the sole and exclusive remedy between the parties regarding any and all claims and counterclaims presented to the arbitrator. The judgment on the Arbitration Award may be entered in any appropriate court as necessary to pursue judgment.

**12.3. Governing Law.** This Lease shall be governed by the laws of the State of California (without giving effect to internal principles of conflict of laws). The Arbitration Award shall be based exclusively on the provisions of this Lease; provided, however, that to the extent that the subject matter for the Arbitration Award is not set forth within this Lease, it shall be based on the laws of the State of California (without giving effect to internal principles of conflict of laws). In addition, in the case of any conflict between the provisions of the AAA Commercial Rules and the provisions of this Lease, the provisions of this Lease shall govern.

**12.4. Notice: Demand for Arbitration.** Prior to filing a demand for arbitration, a party must first give the other party at least fifteen (15) days' prior written notice of its intent to file the demand. All notices to be given in connection with the arbitration shall be as provided in Section 13. Demand for arbitration must be filed within one (1) year after accrual of the cause of action asserted by the complaining party. If the complaining party fails to file the demand for arbitration within that time, the claim shall be deemed to be waived and shall be barred from either arbitration or litigation.

**12.5. Payment.** The Arbitration Award shall be made and shall be payable free of any tax or any other deduction. The Arbitration Award shall include interest, at a rate determined as appropriate by the arbitrator, as of the date of any breach or other violation of this Lease to the date when the Arbitration Award is paid in full.

**12.6. Expenses.** The prevailing party in any such arbitration shall be awarded all costs of arbitration and enforcement of the Arbitration Award, including reasonable attorneys' fees and court costs, costs of expert witnesses, transportation, lodging and meal costs of the parties and witnesses, costs of transcript preparation, and other costs.

**12.7. Arbitral Ruling.** The arbitration shall commence within thirty (30) days after the selection of the arbitrator in accordance with Section 12.1. All discovery shall be expedited, consistent with the nature and complexity of the claim or dispute and consistent with fairness and justice. The arbitrator shall have the power to compel any party to comply with discovery requests of the other party and to issue binding orders relating to any discovery dispute, which binding orders shall be enforceable in the same manner as awards. The arbitrator also shall have the power to impose sanctions for abuse or frustration of the arbitration process, including the refusal to comply with orders of the arbitrator relating to discovery and compliance with subpoenas. The arbitrator shall render its award within thirty (30) days from the completion of presenting the evidence at the hearing or within one hundred twenty (120) days of the filing of the demand for arbitration, whichever occurs sooner, unless the parties agree in writing to an extension.

**12.8. Specific Performance.** In the event of any breach by a party of this Lease which would cause any non-breaching party to be irreparably harmed or for which such non-breaching party could not be made whole by monetary damages, then in such circumstances such non-breaching party, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to equitable relief, including injunctive relief and specific performance, in any action instituted in a court of applicable jurisdiction.

## 13. NOTICES

All notices and other communications required or permitted under this Lease shall be properly given by the sending party when made in writing and: (i) delivered by a reputable courier service requiring signature for receipt; (ii) mailed by certified or registered first-class mail, post prepaid, with a return receipt requested; (iii) sent by fax as evidenced by a printed confirmation from the sending party's fax machine; or (iv) emailed, in each case to the other party's address set forth above or such other address notified by the other party in writing from time to time. The parties agree that any faxed or emailed document shall be deemed an original document. All notices of arbitration must be sent by mail or courier.

## 14. ASSIGNMENT

SunCap may transfer, sell, or otherwise assign all or any of its rights and/or obligations under this Lease or any incentive to another party, without your consent and without prior notice to you. Upon such transfer, sale or assignment, SunCap shall be released from all future obligations under this Lease.

## 15. MISCELLANEOUS

All rights, powers and remedies provided under this Lease are cumulative and not exclusive of any rights, powers, or remedies provided by applicable law or otherwise. A party shall not be deemed to have waived any right or remedy under this Lease by reason of such party's delay or failure to enforce such right or remedy. Headings used in this Lease are provided for convenience only and shall not affect the meaning or intent of this Lease. The term "including" as used in this Lease shall be interpreted to mean "including, without limitation". The terms of this Lease that expressly or by



their nature survive termination shall continue after the termination until fully performed. This Lease may be executed in one or more counterparts, each of which shall be deemed an original and all of which collectively shall be deemed one and the same instrument.

**16. ENTIRE AGREEMENT; RELATIONSHIP TO LIMITED WARRANTY**

THIS LEASE CONTAINS THE PARTIES' ENTIRE AGREEMENT REGARDING THE LEASING OF THE SOLAR SYSTEM, UNLESS MODIFIED IN THE STATE SPECIFIC EXHIBIT, EXCEPT FOR INCREASES TO THE LEASE PAYMENTS UNDER SECTIONS 3.4 AND 3.5, THIS LEASE MAY ONLY BE CHANGED BY AN AMENDMENT IN WRITING SIGNED BY YOU AND SUNCAP. EACH PARTY'S OBLIGATIONS UNDER THIS LEASE ARE SEPARATE FROM ITS OBLIGATIONS UNDER THE LIMITED WARRANTY. IF A PARTY BREACHES THIS LEASE OR THE LIMITED WARRANTY, IT WILL NOT AFFECT THE PARTIES' OBLIGATIONS UNDER THE OTHER AGREEMENT, EXCEPT THAT IF THIS LEASE TERMINATES, THE LIMITED WARRANTY SHALL AUTOMATICALLY TERMINATE. SUNCAP MAY ASSIGN ALL OR ANY PORTION OF THIS LEASE WITHOUT ASSIGNING THE LIMITED WARRANTY AND, CONVERSELY, SUNCAP MAY ASSIGN ALL OR ANY PORTION OF THE LIMITED WARRANTY WITHOUT ASSIGNING THIS LEASE.

**17. NO THIRD PARTY BENEFICIARIES**

No person that is not a party to this Lease has any right to enforce any term of this Lease.

**18. NOTICE OF RIGHT TO CANCEL**

YOU MAY CANCEL THIS LEASE AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE YOU SIGN THIS LEASE. SEE THE ATTACHED "NOTICE OF CANCELLATION" FORM IN EXHIBIT 2 FOR AN EXPLANATION OF THIS RIGHT.

**19. ADDITIONAL RIGHTS TO CANCEL**

In addition to rights you have to cancel this agreement as set forth in sections 3.3, 3.7, and 18, you may cancel this Lease without charge at any time prior to the 14th calendar day after the date you sign this Lease. Furthermore, you may cancel this Lease after the 14th calendar day under the following circumstances upon payment of the following amounts:

- After credit approval: \$50
- After SunCap has signed this lease: \$500
- After design approval: \$1000

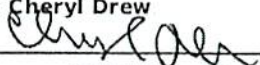
**20. DATE OF LEASE**

THE DATE OF THIS LEASE AND THIS TRANSACTION IS 2/4/2012.

**NOTICE TO RETAIL BUYER:**

**DO NOT SIGN THIS CONTRACT IF THERE ARE ANY BLANK SPACES (OTHER THAN SIGNATURE BLOCK). YOU ARE ENTITLED TO A COPY OF THE CONTRACT AT THE TIME YOU SIGN. KEEP IT TO PROTECT YOUR LEGAL RIGHTS.**

BY SIGNING BELOW, YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THIS LEASE AND ITS EXHIBITS IN THEIR ENTIRETY, AND THAT YOU HAVE RECEIVED A COPY OF THIS LEASE.

Owner: Cheryl Drew  
 Name:   
 On Behalf Of: C D Financial Commercial, Inc.  
 Signature: Cheryl Drew  
 Date: 2/4/2012


NRG SunCap LLC  
 By:   
 SunCap Financial LLC  
 Name: Jordan Frangi  
 Title: SVP  
 Its Authorized Signatory  
 Date: 2/10/12



Exhibit 1**LEASE PAYMENTS; ESTIMATED PREPAYMENT AMOUNT****1. LEASE PAYMENTS**

During the Term, you agree to pay a monthly payment (the "**Lease Payment**") as set forth in the following table for each month during the twelve (12) month period starting on the applicable anniversary of the date your first Lease Payment is due under Section 2.18 of the Lease. You acknowledge that the Lease Payment amounts set forth below may increase under Sections 3.2, of the Lease.

**2. ESTIMATED PREPAYMENT AMOUNT**

Each "**Estimated Prepayment Amount**" reflected in the following table is an estimate of the amount you would pay if you elected to prepay the remaining Lease Payments under Section 2.2 of the Lease on the corresponding anniversary noted below of the first Lease Payment due date. The Estimated Prepayment Amount assumes that the applicable interest rate under Section 2.2 is 4.5%.

Anniversary of First Lease Payment Due Date	Lease Payment (\$ per month)	Estimated Prepayment Amount (\$)
0	\$75.76	\$18,936.00
1	\$78.71	\$18,709.76
2	\$81.78	\$18,401.45
3	\$84.97	\$18,074.10
4	\$88.29	\$17,691.40
5	\$91.73	\$17,249.47
6	\$95.31	\$16,744.19
7	\$99.02	\$16,171.21
8	\$102.89	\$15,525.94
9	\$106.90	\$14,803.51
10	\$111.07	\$13,989.65
11	\$115.40	\$13,096.88
12	\$119.90	\$12,110.70
13	\$124.58	\$11,025.06
14	\$129.43	\$9,833.61
15	\$134.48	\$8,529.64
16	\$139.73	\$7,106.06
17	\$145.18	\$5,555.41
18	\$150.84	\$3,869.82
19	\$156.72	\$1,983.17

Exhibit 3-CA

**State-Specific Rights: California**

**Estimated Price of Electricity**

The estimated average price to you of electricity produced by the Solar System during the Term of the Lease is estimated to be \$0.269 per kWh. This is a good faith estimate only and your actual results will vary. This estimated average price is based on, among other things, the following assumptions:

- (a) The guaranteed annual production as defined in the Limited Warranty; and
- (b) The lease payments as defined in Section 2.1; and
- (c) No change in net metering, legal, regulatory, technical, operational, commercial and other requirements, practices or aspects for the Solar System.

You also acknowledge that the actual price per kWh and the Solar System's power output will vary from the estimate above depending on climate, any future shading over the Solar System, and other future conditions which vary from the above assumptions.

**Operation and Maintenance Obligations of Parties**

Your obligations to maintain or operate the Solar System are described in Section 5.1 of this Lease. These include:

- (a) to notify us immediately if any part of the Solar System is stolen or damaged, or if any other emergency situation exists regarding the Solar System;
- (b) to notify us within 24 hours if the Solar System is not working properly;
- (c) to have the Solar System moved, removed, or repaired only according to the Limited Warranty, and to cooperate with those repairs;
- (d) not to do anything to the Solar System that invalidates or voids the Limited Warranty;
- (e) not to change or remove the tags or markings on the Solar System;
- (f) not to do anything to your Property that shades the Solar System;
- (g) to trim trees, shrubs, and other vegetation that shade the Solar System more than it was shaded at the time of installation;
- (h) not to do anything to your Property or allow any condition that results in the Solar System failing to perform as originally intended or in the Solar System no longer being connected to the local utility;
- (i) not to use the Solar System to heat a pool;
- (j) to provide a safe work area at your Property for installing and maintaining the Solar System; and
- (k) to clean and maintain the solar panels regularly according to the Solar System user manual.

You agree to notify SunCap within 24 hours if the Solar System is not working properly. Once you have timely notified SunCap that the Solar System is not working properly, SunCap shall perform its obligations under Section 2A and 2E of the Limited Warranty to, at its option, repair or replace the Solar System or if you provide the required internet connection described in Section 3 of the Limited Warranty, to make payments under the Performance Guaranty described in Section 9 of the Limited Warranty.

**SUNCAP HAS NO FURTHER OPERATION AND MAINTENANCE OBLIGATION FOR THE SOLAR SYSTEM.**

Exhibit 4

Authorization Agreement for Pre-Authorized Payments

To facilitate the transaction associated with SOLAR POWER SYSTEM LEASE CONTRACT # 04-0052121725-SCE-SCE00 (hereinafter referred to the "Lease") between NRG SunCap LLC (hereinafter referred to as "SunCap") and Cheryl Drew (hereinafter referred to as "Customer"), Customer hereby authorizes SunCap to initiate, from time-to-time, debit entries to the checking account indicated below and Customer hereby authorizes the depositing financial institution named below (hereinafter referred to as the "Depository") to enter such debits or credits to such account.

Depository (name): Wells Fargo Bank
Routing No.: 122000247
Account No.: 1276884929

Please attach a copy of a voided check for the above account

It is understood that SunCap will process debit entries to the above referenced account on or after the designated payment due date of each month in an amount not to exceed any amounts outstanding at any time under the Lease, except otherwise provided herein.

Customer represents to SunCap that all persons whose signatures are required to withdraw funds from the above referenced account have executed this Authorization Agreement.

Customer hereby acknowledges that SunCap may process debit entries for scheduled Lease payments or any other sum due and payable to SunCap pursuant to the Lease. Customer also acknowledges that SunCap may assign the Lease to a third party who may then process debit entries per this Authorization Agreement.

Customer hereby acknowledges that it has received a copy of this Authorization Agreement for its records.

Customer hereby acknowledges that Customer may not terminate this Authorization Agreement until all amounts owed by Customer under the Lease have been paid in full, or until Customer has provided SunCap written notification via certified mail of Customer's request to terminate this Authorization Agreement and SunCap has had a reasonable amount of time to act upon Customer's request. The termination of this Authorization Agreement does not terminate the fully enforceable Lease or your obligations under the Lease, including but not limited to your obligation to make the required Lease payments.

Customer Signature: [Handwritten Signature]
Customer Name: Cheryl Drew
Date: 2/4/2012

Additional signatories if any are required to withdraw funds from the above referenced account:

Additional Signature:
Additional Name:
Date:



**From:**  
NRG SunCap LCC  
P.O Box 304  
Houston, Texas 77001

SunCap Financial LLC  
P.O Box 304  
Houston, Texas 77001

February 4, 2012  
Credit Application Code:12601

**To:**  
Cheryl Drew  
27789 Maywood Bend Dr  
Sun City, CA 92585

**Subject: NRG SunCap LLC Solar Lease Credit Application**

**Dear Applicant:**

Thank you for your recent application for a Solar Lease. We are happy to inform you that we were able to approve your application for your choice of a Prepaid Lease with one single lease payment due at Interconnection OR a Monthly Lease.

**Your Next Steps:**

If you have already signed a solar lease, please call SunCap to let us know your Credit Application Code above.

If you have not yet made your decision on your solar lease, please contact your Installer to complete a SunCap Solar Lease. We will begin processing your lease as soon as you have completed the Lease and it is submitted to your Installer. At that time please provide both your Installer and SunCap with the Credit Application Code above.

Sincerely,

NRG SunCap LLC

NRG SunCap LLC  
P.O. Box 304  
Houston, Texas 77001  
(713) 655-1180 / [credit@suncapfinancial.com](mailto:credit@suncapfinancial.com)