

# RESIDENTIAL SOLAR POWER PURCHASE AGREEMENT

TRANSACTION DATE **10/02/2015**

SERVICE NO. [REDACTED]

ENERGY RATE (per kWh)

## CUSTOMER INFORMATION

NAME (First, Middle, Last) [REDACTED]

**Clark**

TELEPHONE [REDACTED]

E-MAIL [REDACTED]

PROPERTY OWNER  
 Yes  No

NAME (First, Middle, Last)

TELEPHONE

E-MAIL

PROPERTY OWNER  
 Yes  No

## PROPERTY INFORMATION

STREET ADDRESS **31569 Corte Salinas**

CITY **Temecula**

COUNTY

STATE **CA**

ZIP **92592-6413**

### OUR PROMISES TO YOU

- At no up-front cost to you, we design and install the solar energy system
- We insure, maintain, repair, and monitor the system at no additional cost to you
- The energy rate will never increase by more than 2.9% per year
- A team of professionals to take care of the process

### YOUR OBLIGATIONS

- Agree to pay for the energy produced by the solar energy system
- A qualified roof in good condition
- Assistance with any paperwork for installation or operation of the system
- A broadband internet connection

### DOCUMENTS

#### THE AGREEMENT INCLUDES THE FOLLOWING DOCUMENTS:

- Power Purchase Agreement, including:
  - Exhibit A – Notice of Cancellation
  - Exhibit B – State Notices and Disclosures
- the Customer Packet, and
- the Work Order(s).

## RESIDENTIAL SOLAR POWER PURCHASE AGREEMENT

This RESIDENTIAL SOLAR POWER PURCHASE AGREEMENT (together with all documents expressly incorporated herewith, this "**Agreement**") is entered into on the Transaction Date set forth above, by and between VIVINT SOLAR DEVELOPER, LLC, a Delaware limited liability company (together with Our successor and assigns, "**Seller**", "**We**", "**Us**", "**Our**") and the undersigned CUSTOMER(s) (together Your successors and permitted assigns, "**Customer**", "**You**", "**Your**"; together with Us, the "**Parties**", and each, a "**Party**").

### **1. Design, Installation, and Activation.**

(a) Description of the project and description of the significant materials to be used and equipment to be installed. We will design, install, service, and maintain a solar photovoltaic system on Your home at the property address set forth above (the "**Property**"), which will include all solar panels, inverters, meters, and other components (collectively, the "**System**"), as further described in the Customer Packet and the Work Order(s) that We will provide to You hereafter. All material portions of the System will be installed by Our employed technicians and electricians, and not subcontractors. With Your cooperation, We will (i) design, install, and connect the System in material compliance with all applicable laws; (ii) complete all required inspections; and (iii) obtain all required certifications and permits. In order to design a System that meets Your needs, You agree (1) that We may obtain Your electrical usage history from Your electric utility provider (the "**Utility**"); (2) to provide Us with copies of bills and other information from Your Utility; and (3) to enter into and execute any interconnection or other agreements that may be required by Your Utility. We will design and install the System at no cost to You, other than the Energy Price.

(b) Approximate Installation Start and Completion Date. Subject to the delays of permitting authorities, weather, and other conditions outside Our control, installation of the System generally takes one (1) day and is anticipated to start and be substantially complete no later than **03/30/2016**.

(c) Activation. After installation, inspection, and receipt of all necessary approvals relating to the System, We will request interconnection of and

permission to operate the System with the Utility. Although We will promptly request interconnection and permission to operate the System, We cannot promise or guarantee the date such permission will be received from the Utility. After We receive the Utility's permission to operate, We will activate the System and cause it to generate Energy (as such term is defined in Section 3(a)). YOU ARE NOT ALLOWED TO TURN ON THE SYSTEM UNTIL WE NOTIFY YOU THAT THE UTILITY HAS GIVEN ITS PERMISSION TO OPERATE. PURSUANT TO SECTION 7(b), YOU ARE LIABLE FOR ANY COSTS OR DAMAGE RELATING TO YOUR PREMATURE ACTIVATION OF THE SYSTEM.

### **2. Term and Renewal.**

(a) Term. This Agreement is effective as of the Transaction Date and shall continue until the twentieth (20th) anniversary of the In-Service Date (together with any renewal term described in Section 2(b)(ii), the "**Term**"). The "**In-Service Date**" shall be the first day after all of the following have been achieved: (i) the System has been installed and is capable of generating Energy; (ii) all permits, inspections, and approvals necessary to operate the System have been obtained; and (iii) the System has been interconnected with the Utility and received permission to operate.

(b) End of Term. (i) Your Options. At the end of the Term, so long as there is no Customer Default ongoing, You may elect to: (1) continue with this Agreement for a renewal term of five (5) years at the Renewal Price (as described in Section 2(b)(ii)); (2) purchase the System (as described in Section 2(b)(iii)) and this Agreement will automatically terminate; or (3) have the System removed at no cost to You (as described in Section 2(b)(iv)) and this Agreement will automatically terminate. At least sixty (60) days prior to the end of the Term, We will send to You notice concerning Your end of term options, including the renewal, purchase, and cancellation forms. If You do not elect any of these three options, this Agreement will automatically renew on a year-to-year basis (as described in Section 2(b)(v)). (ii) Renewal Option. The renewal form will set forth the new Energy Price for the renewal term based on Our assessment of the then-available market information and Our

determination of the then-current fair market value of the System (the "**Renewal Price**"). If You elect the renewal option, then We will need to receive Your completed renewal form not less than thirty (30) days prior to the end of the Term. If You choose not to renew, then You may elect (under **Section 2(b)(i)**) to purchase the System or to have the System removed at no cost to You. (iii) **Purchase Option**. The purchase form will set forth the purchase price based on the then-current fair market value of the System as determined by an independent appraiser's valuation of similarly sized photovoltaic systems in Your geographic region (the "**Purchase Option Price**"). The appraiser's valuation will be provided to You in writing and will be binding. If You elect the purchase option, then We will need to receive Your completed purchase option form, Your payment of the Purchase Option Price, costs of the appraisal, applicable taxes, and all other amounts then owing and unpaid hereunder not less than thirty (30) days prior to the end of the Term. Upon receipt of the foregoing, We will transfer ownership of the System to You on an "As Is, Where Is" basis. (iv) **Removal Option**. If You elect the removal option, then We will need to receive Your completed removal form and all amounts then owing and unpaid hereunder not less than thirty (30) days prior to the end of the Term. After which, We will remove the System from Your Property within ninety (90) days after the end of the Term. (v) **Automatic Renewal**. IF YOU DO NOT NOTIFY US OF YOUR ELECTION BY SENDING THE APPLICABLE COMPLETED FORM TO US EITHER BY E-MAIL OR U.S. MAIL AT OUR ADDRESS FIRST SET FORTH ABOVE AT LEAST THIRTY (30) DAYS PRIOR TO THE END OF THE TERM, THEN (UNLESS WE ELECT TO TERMINATE THIS AGREEMENT) THIS AGREEMENT WILL AUTOMATICALLY RENEW ON A YEAR-TO-YEAR BASIS AT TEN PERCENT (10%) LESS THAN THE THEN-CURRENT AVERAGE RATE CHARGED BY YOUR UTILITY UNTIL YOU NOTIFY US IN WRITING OF YOUR ELECTION TO CANCEL AT LEAST THIRTY (30) DAYS PRIOR TO THE END OF THE RENEWAL TERM. YOU AND WE AGREE THAT SUCH ENERGY PRICE DURING AN AUTOMATIC RENEWAL TERM FAIRLY REFLECTS AND IS A REASONABLE ESTIMATION OF THE FAIR MARKET VALUE OF THE ENERGY PRODUCED BY THE SYSTEM.

I/WE AGREE TO THE  
FOREGOING AUTOMATIC  
RENEWAL PROVISION:

initials ELH  
Date 10/02/2015 10/02/2015

### 3. Price and Payment.

(a) **Sale of Electricity**. (i) **Sale**. This Agreement is for the sale of energy by Us to You and not for the sale of the System, the System Interests (as such term is defined in **Section 4(i)**), or a solar energy device. Beginning with the In-Service Date, We will sell to You and You will buy from Us all of the energy produced by the System (the "**Energy**"). Energy does not include the System Interests. (ii) **Price**. For all Energy produced by the System, You shall pay Us \$0. .15 per kilowatt hour ("**kWh**") (the "**Energy Price**"), PLUS APPLICABLE TAXES. On each anniversary of the In-Service Date, the Energy Price shall increase by two and nine-tenths percent (2.9%). (iii) **Delivery**. Title to and risk of loss with respect to the Energy shall transfer from Us to You at the point where the System is interconnected with Your Property's electrical wiring. Energy from the System will be delivered to You in compliance with all requirements of the Utility. A good faith estimate of the System output, measured in kilowatt hours, will be provided to You in the Customer Packet; *provided* that we reserve the right to modify the size of the System at the time of installation as required by applicable law or in Our reasonable discretion. (iv) **Limits on Obligation to Deliver**. We are not a utility or public service company and do not assume any obligations of a utility or public service company to supply Your energy requirements. We are not subject to rate review or other utility or public service company regulation by governmental authorities. During the Term, You understand that You may require more electricity than the System may generate. If You need any such additional energy, then You shall be solely responsible to obtain such energy from the Utility at Your cost. OTHER THAN AS EXPLICITLY SET FORTH ON **EXHIBIT B**, WE DO NOT WARRANT OR GUARANTEE (1) THE AMOUNT OF ENERGY PRODUCED BY THE SYSTEM FOR ANY PERIOD, (2) ANY COST SAVINGS, OR (3) THE EXISTENCE OF ANY NET METERING PROGRAM, OR UTILITY OR GOVERNMENT INCENTIVE PROGRAM.

(b) **Payments**. (i) **Invoicing**. Beginning with the first (1<sup>st</sup>) month following the In-Service Date and each month throughout the Term, We will send You an invoice reflecting the charges for the Energy produced by the System. If the System is not reporting Energy production to Us, We may charge You the Shutdown Payment (as such term is defined in **Section 6(a)**). There is no financing charge associated with this

Agreement. (ii) Automatic Payments. You shall make payments to Us by automatic payment deduction from Your designated checking account or by automatic charge to Your credit card. It is Your responsibility to ensure that there are adequate funds or an adequate credit limit. (iii) Account Debit Discount. The Energy Price and all other payments in this Agreement include a Five Dollar (\$5) monthly discount for allowing Us to automatically debit Your checking account. You will not receive such Five Dollar (\$5) monthly discount if You choose to pay by any means other than automatic debit from Your checking account (e.g., credit card). (iv) Late Payments. For all payments more than ten (10) days past due, We may impose a late charge equal to Fifteen Dollars (\$15) and interest at an annual rate equal to the lesser of ten percent (10%) or the maximum rate permitted by applicable law, plus applicable taxes. You agree that Your monthly payments, as well as any late charges incurred by You as described in this Section 3, may be electronically debited automatically from Your checking account or charged to Your credit card. If You continue to fail to make any payment within ten (10) days after We give You written notice, then We may exercise all remedies available to Us pursuant to Section 6(b)(ii). (v) Unconditional Payment. You agree that the obligation to pay any amount due under this Agreement shall be absolute and unconditional, and shall not be subject to any abatement, defense, counterclaim, setoff, recoupment, or reduction. You and We agree that all amounts payable by You hereunder shall be payable in all events including by Your heirs, successors, and permitted assigns. Except for Your right to terminate under the Notice of Cancellation or after a Seller Default (as such term is defined in Section 6(b)(iii)), 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.

#### **4. Our Services.**

(a) Operations and Maintenance. During the entire Term of this Agreement, We will honor the limited installation warranty described below in Section 4(e), and We will operate and maintain the System (i) at Our sole cost and expense; (ii) in good condition; and (iii) in material compliance with all applicable laws and permits and the Utility's requirements.

(b) Insurance. We carry commercial general liability insurance, workers' compensation insurance, and property insurance on the System. For more information concerning Our insurance, including Our insurance coverage limits, and to obtain a copy of Our certificate of insurance, please visit: [www.vivintsolar.com/insurance](http://www.vivintsolar.com/insurance).

(c) Risk of Loss: Casualty Losses. We shall bear all risk of loss with respect to the System, except for losses arising from the acts or omissions by You or Your licensees, guests, invitees, contractors, or agents or otherwise covered by Your insurance pursuant to Section 5(b). If the System is damaged or destroyed by fire, storm, flood, earthquake, or other disaster or accident (each, a "Casualty Event") fully covered by Our insurance, We will promptly repair or replace the damaged portions of the System as necessary to restore it to good working condition. If the System is damaged or destroyed by a Casualty Event not fully covered by Our insurance, We may, at Our option (i) repair and restore the System to good working condition; or (ii) terminate this Agreement and, at Your election, either convey the System in its then-existing condition, "As Is, Where Is", to You for no additional consideration or remove the System from Your Property.

(d) Disconnection of System. We may cause the System to be disconnected from any electrical facilities, including the Utility's facilities, if they require such disconnection or We are required to do so under applicable law, including (but not limited to) any disconnection directed by the Utility as part of a curtailment or other order or instruction.

(e) Limited Installation and Roof Penetration Warranty. During the entire Term of this Agreement, under customary use and operating conditions, We provide a workmanship warranty that the System will be free from material defects in design and workmanship. When We penetrate Your roof during installation of the System, We warrant that all rooftop penetrations are watertight. This roof penetration warranty will run the longer of (i) one (1) year following installation of the System; (ii) the length of any new construction homebuilder warranty for Your roof; and (iii) any period required by applicable law.

(f) Manufacturers' Warranties. We do not provide any warranty to You with respect to any component of the System. Any manufacturer's warranty is for Our benefit as owner of the System and