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3055 Clearview Way, San Mateo, CA 94402
T (888) SOL-CITY F (650) 560-6460 SOLARCITY.COM

SolarLease

## SUMMARY

Date: 12/13/2014

| Customer Name and Address | Customer Name | Installation Location | Contractor License |
|---|---|---|---|
| **Mark Seaton<br>15070 Lancashire Dr<br>Lake Elsinore, CA 92530** | **Peggy Janovick** | **15070 Lancashire Dr<br>Lake Elsinore, CA<br>92530** | **CA CSLB 888104** |

### Estimated Solar Energy Production

| | |
|---|---|
| First Year Annual Production: | 14,570 kWh |
| Initial Term Total Production: | 277,964 kWh |

### Payment Terms

| | |
|---|---|
| Amount Due at Contract Signing: | $0 |
| Amount Due when Installation Begins: | $0.00 |
| Amount Due following Bldg. Inspection: | $0.00 |
| Estimated Price per kWh First Year: | $0.1500 |
| Annual Increase: | 2.90% |
| First Year Monthly SolarCity Bill: | $182.12 |
| Lease Term | 20 Years |

### SolarCity's Promises to You:

- SolarCity will insure, maintain, and repair the System (including the inverter) at no additional cost to you as specified in the agreement.
- SolarCity will provide 24/7 web-enabled monitoring at no additional cost to you, as specified in the agreement.
- SolarCity will provide a money-back production guarantee, as specified in the agreement.
- SolarCity will warranty your roof against leaks and restore your roof at the end of the agreement as specified in the agreement.
- The pricing in this Lease is valid for 30 days after 12/13/2014. If you don't sign this Lease and return it to us on or prior to 30 days after 12/13/2014, SolarCity reserves the right to reject this Lease unless you agree to our then current pricing.
- We are confident that we deliver excellent value and customer service. AS A RESULT, YOU ARE FREE TO CANCEL ANYTIME AT NO CHARGE PRIOR TO CONSTRUCTION ON YOUR HOME.

### Your Prepayment and Transfer Choices During the Term:

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

### Your Choices at the End of the Initial Term:

- SolarCity will remove the System at no additional cost to you.
- You can upgrade to a new System with the latest solar technology under a new contract.
- You may renew your agreement for up to ten (10) years in two (2) five (5) year increments.
- Otherwise, the agreement will automatically renew for an additional one (1) year term at 10% less than the then-current average rate charged by your local utility.

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## 1. INTRODUCTION

This SolarLease® (this "Lease") is the agreement between you and SolarCity Corporation (together with its successors and assigns, "SolarCity" or "we"), covering the lease to you of the solar panel system (the "System") described below. The System will be installed by SolarCity at the address you listed above. This Lease will refer to this address as the "Property" or your "Home." This Lease is up to thirteen (13) pages long and has up to three (3) Exhibits depending on the state where you live. This Lease has disclosures required by the Federal Consumer Leasing Act and, where applicable, state law. SolarCity provides you with a Performance Guarantee and Limited Warranty (the "Limited Warranty"). The Limited Warranty is attached as **Exhibit 2**. SolarCity will also provide you with a System user manual entitled "Solar Operation and Maintenance Guide" (the "Guide"), that contains important operation, maintenance and service information. This is a legally binding agreement, so please read everything carefully including all of the exhibits. If you do not meet your contract obligations under this Lease, you may lose your rights to the System. If you have any questions regarding this Lease, please ask your SolarCity sales consultant.

## 2. LEASE TERM

SolarCity agrees to lease you the System for **20** years (240 full calendar months), plus, if the Interconnection Date is not on the first day of a calendar month, the number of days left in that partial calendar month, including the Interconnection Date. We refer to this period of time as the "Lease Term." The Lease Term begins on the Interconnection Date. The Interconnection Date is the date that the System is turned on and generating power. SolarCity will notify you by email when your System is ready to be turned on.

## 3. SYSTEM DESCRIPTION

| Item |
|---|
| 9.750 kW DC (STC) photovoltaic system |
| Photovoltaic Modules |
| Inverter(s) |
| Mounting system |
| Monitoring system |
| Electric meter number: |
| Extras: |
| Standard PowerGuide |

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## 4. LEASE PAYMENTS; AMOUNTS

### A. Amounts Due at Lease Signing, Installation and Building Inspection:

| | |
|---|---|
| Payments Due at Signing: | |
| Amount Due at Lease Signing: | $0.00 |
| Delivery/Installation Fee: | $0.00 |
| **Total Due at Lease Signing:** | **$0.00** |
| Payments Due at Installation: | $0.00 |
| Payments Due after Building Inspection: | $0.00 |

### B. Monthly Payments:

Your first monthly payment is $168.63,
followed by 11 monthly payments of $168.63 each,
followed by 12 monthly payments of $173.52 each,
followed by 12 monthly payments of $178.55 each,
followed by 12 monthly payments of $183.73 each,
followed by 12 monthly payments of $189.06 each,
followed by 12 monthly payments of $194.54 each,
followed by 12 monthly payments of $200.18 each,
followed by 12 monthly payments of $205.99 each,
followed by 12 monthly payments of $211.96 each,
followed by 12 monthly payments of $218.11 each,
followed by 12 monthly payments of $224.44 each,
followed by 12 monthly payments of $230.95 each,
followed by 12 monthly payments of $237.65 each,
followed by 12 monthly payments of $244.54 each,
followed by 12 monthly payments of $251.63 each,
followed by 12 monthly payments of $258.93 each,
followed by 12 monthly payments of $266.44 each,
followed by 12 monthly payments of $274.17 each,
followed by 12 monthly payments of $282.12 each,
followed by 12 monthly payments of $290.30 each.

Your total lease payments, excluding tax, are **$53,825.28**. Your estimated average monthly tax payments are $17.94.

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

### C. Other Charges:

If you make your Monthly Payments by allowing us to automatically debit your checking or savings account, then you will receive a discount of $7.50 on your Monthly Payments. The Monthly Payments listed above reflect this discount. If you do not allow the automatic debit, this discount will not be applied to your Monthly Payments and each Monthly Payment will be $7.50 greater.

### D. Total of Payments (A+B+C) = $58,131.30

This is the total amount you will have paid by the end of this Lease. It includes the Monthly Payments stated above and estimated taxes of $4306.02.

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| E. Purchase Option At End of Lease Term: | F. Other Important Terms: |
|---|---|
| You do not have an option to purchase the System at the end of the Lease Term. | See Section 2 above for additional information on the Lease Term and also see below for additional information on termination, purchase options, renewal options, maintenance responsibilities, warranties, late and default charges and prohibition on assignment without SolarCity's consent. Payments due upon installation are due immediately prior to commencement of installation. |

## 5. LEASE OBLIGATIONS

### (a) System, Home and Property Maintenance

**You agree to:**

(i) only have the System repaired pursuant to the Limited Warranty and reasonably cooperate when repairs are being made;

(ii) keep trees, bushes and hedges trimmed so that the System receives as much sunlight as it did when SolarCity installed it;

(iii) keep the panels clean, pursuant to the Limited Warranty and the Guide;

(iv) not modify your Home in a way that shades the System;

(v) be responsible for any conditions at your Home that affect the installation (e.g. blocking access to the roof or removing a tree that is in the way, prior work you have done on your home that was not permitted);

(vi) not remove any markings or identification tags on the System;

(vii) permit SolarCity, after we give you reasonable notice, to inspect the System for proper operation as we reasonably determine necessary;

(viii) use the System primarily for personal, family or household purposes, but not to heat a swimming pool;

(ix) not do anything, permit or allow to exist any condition or circumstance that would cause the System not to operate as intended at the Property;

(x) notify SolarCity if you think the System is damaged or appears unsafe; if the System is stolen; and prior to changing your power supplier;

(xi) have anyone who has an ownership interest in your Home sign this Lease;

(xii) return any documents we send you for signature (like incentive claim forms) within seven (7) days of receiving them; and

(xiii) maintain and make available, at your cost, a functioning indoor internet connection with a router, one DHCP enabled Ethernet port with internet access and standard AC power outlet close enough and free of interference to enable an internet-connected gateway provided by SolarCity to communicate wirelessly with the system's inverter (typically this is 80 feet, but may depend on site conditions).See Section 2(d) of the Limited Warranty for details; and

(xiv) if your home is governed by a home owner's association or similar community organization, obtain all approvals and authorizations for the System required by that organization and advise us of any requirements of that organization that will otherwise impact the System, its installation or operation.

### (b) System Construction, Repair, Insurance and SolarCity's obligations:

**SolarCity agrees to:**

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

(ii) construct the System according to written plans you review;

(iii) provide you with a web-enabled meter to accurately measure the amount of power the System delivers to you;

(iv) notify you if the System design has to be materially changed so that you can review any such changes;

(v) clean up after ourselves during the construction of the System;

(vi) repair the System pursuant to the Limited Warranty and reasonably cooperate with you when scheduling repairs;

(vii) create a priority stream of operation and maintenance payments to provide enough cash flow in our financing transactions to pay for the Limited Warranty obligations and the repair and maintenance of the System in accordance with this Lease even if SolarCity ceases to operate; and

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(viii) not put a lien on your Home or Property.

**(c) Home Renovations or Repairs**

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

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

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

(i) Automatic Payment Discount: All prices include a $7.50 monthly discount for allowing us to automatically debit your checking or savings account for payments. You will not receive a $7.50 monthly discount if you do not allow the automatic debit;

(ii) Returned Check Fee: $25 (or such lower amount as required by law) for any check or withdrawal right that is returned or refused by your bank; and

(iii) Late payments: accrue interest at twelve percent (12%) annually or the maximum allowable by applicable law.

**(e) Insurance**

SolarCity shall insure the System against all damage or loss unless (i) that damage or loss is caused by your gross negligence; or (ii) that damage or loss is caused by ball strikes; or (iii) you intentionally damage the System.

**(f) Estimated Taxes**

You agree to pay any applicable sales or use taxes on the Monthly Payments due under this Lease. If this Lease contains a purchase option at the end of the Lease Term, you agree to pay any applicable tax on the purchase price for the System. You also agree to pay as invoiced any applicable personal property taxes on the System that your local jurisdiction may levy. The total estimated amount you will pay for taxes over the Lease Term is **$4306.02.**

**(g) No Alterations**

You agree that you will not make any modifications, improvements, revisions or additions to the System or take any other action that could void the Limited Warranty on the System without SolarCity's prior written consent. If you make any modifications, improvements, revisions or additions to the System, they will become part of the System and shall be SolarCity's property.

**(h) Access to the System**

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

(ii) During the time that SolarCity has access rights you shall ensure that its access rights are preserved and shall not interfere with or permit any third party to interfere with such rights or access. You agree that the System is not a fixture, but SolarCity has the right to file any UCC-1 financing statement or fixture filing that confirms its interest in the System.

**(i) Indemnity**

To the fullest extent permitted by law, you shall indemnify, defend, protect, save and hold harmless SolarCity, its 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 your negligence or willful misconduct; provided, that nothing herein shall require you to indemnify SolarCity for its own negligence or willful misconduct. The provisions of this paragraph shall survive termination or expiration of this Lease.

**(j) Monthly Payments**

The Monthly Payments section (Section 4(B)) describes your monthly payment obligations under this Lease. YOU AGREE

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THAT THIS IS A NET LEASE AND THE OBLIGATION TO PAY ALL MONTHLY PAYMENTS AND ALL OTHER AMOUNTS DUE UNDER THIS LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL UNDER ALL CIRCUMSTANCES AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, DEFENSE, COUNTERCLAIM, SETOFF, RECOUPMENT OR REDUCTION FOR ANY REASON WHATSOEVER, IT BEING THE EXPRESS INTENT OF THE PARTIES THAT ALL AMOUNTS PAYABLE BY YOU HEREUNDER SHALL BE AND CONTINUE TO BE PAYABLE IN ALL EVENTS INCLUDING BY YOUR HEIRS AND ESTATE AND, EXCEPT AS SET FORTH BELOW IN SECTIONS 6, 23 AND 24, YOU HEREBY WAIVE ALL RIGHTS YOU MAY HAVE TO REJECT OR CANCEL THIS LEASE, TO REVOKE ACCEPTANCE OF THE SYSTEM, OR TO GRANT A SECURITY INTEREST IN THE SYSTEM.

(k) You authorize SolarCity, or its designee, to obtain your credit report now and in the future, check your credit and employment history, answer questions others may ask regarding your credit and share your credit information with SolarCity's financing partners. You certify that all information you provide to us in connection with checking your credit will be true and understand that this information must be updated upon request if your financial condition changes.

## 6. CONDITIONS PRIOR TO INSTALLATION OF THE SYSTEM

### (a) SolarCity's Obligation to Install and Lease

SolarCity's obligations to install and lease the System are conditioned on the following items having been completed to its reasonable satisfaction:

(i) completion of (A) the engineering site audit (a thorough physical inspection of the Property, including, if applicable, geotechnical work), (B) the final System design, and (C) real estate due diligence to confirm the suitability of the Property for the construction, installation and operation of the System;

(ii) approval of this Lease by SolarCity's financing partner(s);

(iii) your meeting the applicable credit score;

(iv) confirmation of rebate, tax credit and renewable energy credit payment availability in the amount used to calculate the Monthly Payment amounts set forth in this Lease;

(v) confirmation that SolarCity will obtain all applicable benefits referred to in Section 9;

(vi) receipt of all necessary zoning, land use and building permits; and

(vii) completion of any renovations, improvements or changes reasonably required at your Home or on the Property (e.g. removal of a tree or roof repairs necessary to enable SolarCity to safely install the System); and

(viii) if your home is governed by a home owner's association or similar community organization, your receipt of all approvals and authorizations for the System required by that organization and advising us of any requirements of that organization that will otherwise impact the System, its installation or operation.

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

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

Both parties will have the right to terminate this Lease, without penalty or fee, if SolarCity determines after the engineering site audit of your Home that it has misestimated by more than ten percent (10%) any of (i) the System size, (ii) the System's total cost or (iii) the System's annual production. Such termination right will expire at the **earlier** of (A) one (1) week prior to the scheduled System installation date and (B) one (1) month after we inform you in writing of the revised size, cost or production estimate. If neither party exercises their right to terminate this Lease following such a 10% change, then any changes to the System will be documented in an amendment to this Lease. You authorize SolarCity to make corrections to the utility paperwork to conform to this Lease or any amendments to this Lease we both sign.

## 7. WARRANTY

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

## 8. TRANSFER

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SolarCity works with banks, large companies and other significant financing partners to finance your System. As a result, SolarCity will assign this Lease to one of its financing partners. SolarCity may assign, sell or transfer the System and this Lease, or any part of this Lease or the exhibits, without your consent. Assignment, sale or transfer generally means that SolarCity would transfer certain of its rights and certain of its obligations under this Lease to another party. This assignment does not change SolarCity's obligation to maintain and repair your System as set forth in the Limited Warranty.

## 9. OWNERSHIP OF THE SYSTEM; TAX CREDITS AND REBATES

You agree that the System is SolarCity's personal property under the Uniform Commercial Code. You understand and agree that this is a lease and not a sale agreement. SolarCity owns the System for all purposes, including any data generated from the System. You shall at all times keep the System free and clear of all liens, claims, levies and legal processes not created by SolarCity, and shall at your expense protect and defend SolarCity against the same.

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 THE PROPERTY OF AND FOR THE BENEFIT OF SOLARCITY, USABLE AT ITS SOLE DISCRETION. SOLARCITY SHALL HAVE THE EXCLUSIVE RIGHT TO ENJOY AND USE 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 SOLARCITY SO THAT IT MAY CLAIM 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 THESE TAX CREDITS, RENEWABLE ENERGY/CARBON CREDITS, REBATES OR OTHER BENEFITS TO SOLARCITY.

## 10. PURCHASING THE SYSTEM PRIOR TO THE END OF THE LEASE TERM

You do not have an option to purchase the System at the end of the Lease Term.

## 11. RENEWAL

If you are in compliance with your Lease, you have the option to renew your Lease for up to ten (10) years in two (2) five (5) year renewal periods. We will send you renewal forms three (3) months prior to the expiration of the Lease Term, which forms shall set forth the new Monthly Payments due under the renewed Lease, based on our assessment of the then current fair market value of the System. If you want to renew, complete the renewal forms and return them to us at least one (1) month prior to the expiration of the Lease Term. In the event that you respond that you do not agree to the new Monthly Payments, the Lease shall expire by its terms on the termination date. If you don't send us anything in writing after we send you the renewal forms, then this Lease shall renew for an additional one (1) year term at ten percent (10%) less than the then-current average rate charged by your local utility and shall continue to renew for one (1) year terms at that same rate until (i) you give us notice at least thirty (30) days prior to a renewal term that you do not wish to renew; or (ii) we send you a notice terminating the Lease.

## 12. SELLING YOUR HOME

(a) If you sell your Home you can:

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

If the person buying your Home meets SolarCity's credit requirements, then where permitted by the local utility, the person buying your Home can sign a transfer agreement assuming all of your rights and obligations under this Lease.

(ii) **Move the System to Your New Home.**

If you are moving to a new home in the same utility district, then where permitted by the local utility, the System can be moved to your new home pursuant to the Limited Warranty. You will need to pay all costs associated with relocating the System, execute and provide the same access and ownership rights as provided for in this Lease and provide any third party consents or releases required by SolarCity in connection with the substitute premises.

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

At any time during the Lease Term, if the person buying your home does not meet SolarCity's credit requirements, but still wants the System, then you can (A) prepay the payments remaining on the Lease (See Section 16(i)(i)

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and (ii)), (B) add the cost of the Lease to the price of your home; and (C) have the person buying your Home sign a transfer agreement to assume your rights and non-Monthly Payment obligations under this Lease. The System stays at your Home, the person buying your Home does not make any Monthly Payments and has only to comply with the non-Monthly Payment portions of this Lease.

(b) You agree to give SolarCity at least fifteen (15) days but not more than three (3) months' prior written notice if you want someone to assume your Lease obligations. In connection with this assumption, you, your approved buyer and SolarCity shall execute a written transfer of this Lease. Unless we have released you from your obligations in writing, you are still responsible for performing under this Lease. If your buyer defaults on this Lease and we have not yet signed the transfer agreement, you will be responsible for their default. We will release you from your obligations under this Lease in writing once we have a signed transfer agreement with the person buying your Home (provided such person has been approved as a transferee by SolarCity in writing).

(c) If you sell your Home and can't comply with any of the options in subsection (a) above, you will be in default under this Lease. Section 12(a) includes a Home sale by your estate or heirs.

(d) Free Assumability. This agreement is free of any restrictions that would prevent the homeowner from freely transferring their home ("Property"). SolarCity will not prohibit the sale, conveyance or refinancing of the Property. SolarCity may choose to file in the real estate records a UCC-1 financing statement ("Fixture Filing") that preserves their rights in the System. The Fixture Filing is intended only to give notice of its rights relating to the System and is not a lien or encumbrance against the Property. SolarCity shall explain the Fixture Filing to any subsequent purchasers of the Property and any related lenders as requested. SolarCity shall also accommodate reasonable requests from lenders or title companies to facilitate a purchase, financing or refinancing of the Property.

(e) EXCEPT AS SET FORTH IN THIS SECTION, YOU WILL NOT SUBLEASE, ASSIGN, SELL, PLEDGE OR IN ANY OTHER WAY TRANSFER YOUR INTEREST IN THE SYSTEM OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD.

## 13. LOSS OR DAMAGE

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

(b) If there is loss, damage, theft, destruction or a similar occurrence affecting the System, and you are not in default of this Lease, you shall continue to timely make all Monthly Payments and pay all other amounts due under the Lease and, cooperate with SolarCity, at SolarCity's sole cost and expense, to have the System repaired pursuant to the Limited Warranty.

## 14. LIMITATION OF LIABILITY

**(a) No Consequential Damages**

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

**(b) Actual Damages**

**Except for claims under Section 5(i), neither party's liability to the other will exceed an amount equal to the maximum amount that could be payable by you under Section 16(i). Damages to your Home, belongings or property resulting from the installation or operation of the System are covered in Section 6(c) of the Limited Warranty.**

## 15. DEFAULT

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

(a) you fail to make any payment when it is due and such failure continues for a period of ten (10) days;

(b) you fail to perform any material obligation that you have undertaken in this Lease (which includes doing something you have agreed not to do, like alter the System) and such failure continues for a period of fourteen (14) days after written notice;

(c) you or your guarantor have provided any false or misleading financial or other information to obtain this Lease;

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(d) you assign, transfer, encumber, sublet or sell this Lease or any part of the System without SolarCity's prior written consent; or

(e) you or any guarantor makes an assignment for the benefit of creditors, admits in writing its insolvency, files or there is filed against you or it a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent or undertakes or experiences any substantially similar activity.

## 16. REMEDIES IN CASE OF DEFAULT

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

(a) terminate this Lease and your rights to possess and use the System;

(b) suspend our performance under this Lease;

(c) take any reasonable action to correct your default or to prevent our loss; any amount we pay will be added to the amount you owe us and will be immediately due;

(d) require you, at your expense, to return the System or make it available to us in a reasonable manner;

(e) proceed, by appropriate court action, to enforce performance of this Lease and to recover damages for your breach;

(f) disconnect, turn off or take back the System by legal process or self-help, but we may not disturb the peace or violate the law;

(g) report such non-operational status of the System to your utility, informing them that you are no longer net metering;

(h) charge you a reasonable reconnection fee for reconnecting the System to your utility or turning your System back on after we disconnect or turn off the System due to your default;

(i) recover from you (i) all accrued but unpaid Monthly Payments, taxes, late charges, penalties, interest and all or any other sums then accrued or due and owing, plus (ii) the unpaid balance of the aggregate rent, each payment discounted to present value at 5% per annum, plus (iii) reasonable compensation, on a net after tax basis assuming a tax rate of 35%, for the loss or recapture of (A) the investment tax credit equal to thirty percent (30%) of the System cost, including installation; and (B) accelerated depreciation over five (5) years equal to eighty five percent (85%) of the System cost, including installation, and for the loss of any anticipated benefits pursuant to Section 9 of this Lease (SolarCity shall furnish you with a detailed calculation of such compensation if such a claim is made); or

(j) use any other remedy available to us in this Lease or by law.

You agree to repay us for any reasonable amounts we pay to correct or cover your default. You also agree to reimburse us for any costs and expenses we incur relating to the System's return resulting from early termination. By choosing any one or more of these remedies, SolarCity does not give up its right to use another remedy. By deciding not to use any remedy should this Lease be in default, SolarCity does not give up our right to use that remedy in case of a subsequent default.

We may submit to credit reporting agencies (credit bureaus) negative credit reports that would be reflected on your credit record if you do not pay any amounts due under this Lease as required.

## 17. SYSTEM REMOVAL: RETURN

At the end of the Term or the termination of this Lease, if you have not renewed this Lease or exercised your purchase option (if any) and you have not defaulted, then within ninety (90) days you agree to call SolarCity at the telephone number listed in Section 7 of Exhibit 2 to schedule a convenient time for SolarCity to remove the System from your Home at no cost to you.

## 18. APPLICABLE LAW; ARBITRATION

PLEASE READ THIS SECTION CAREFULLY. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, A DISPUTE IS RESOLVED BY AN ARBITRATOR INSTEAD OF A JUDGE OR JURY.

The laws of the state where your Home is located shall govern this Lease without giving effect to conflict of laws principles. We agree that any dispute, claim or disagreement between us (a "Dispute") shall be resolved exclusively by arbitration.

The arbitration, including the selecting of the arbitrator, will be administered by JAMS, under its Streamlined Arbitration Rules (the "Rules") by a single neutral arbitrator agreed on by the parties within thirty (30) days of the commencement of the arbitration. The arbitration will be governed by the Federal Arbitration Act (Title 9 of the U.S. Code). Either party may initiate the arbitration process by filing the necessary forms with JAMS. To learn more about arbitration, you can call any JAMS office or review the materials at www.jamsadr.com. The arbitration shall be held in the location that

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is most convenient to your Home. If a JAMS office does not exist within fifty (50) miles of your Home , then we will use another accredited arbitration provider with offices close to your Home.

If you initiate the arbitration, you will be required to pay the first $125 of any filing fee. We will pay any filing fees in excess of $125 and we will pay all of the arbitration fees and costs. If we initiate the arbitration, we will pay all of the filing fees and all of the arbitration fees and costs. We will each bear all of our own attorney's fees and costs except that you are entitled to recover your attorney's fees and costs if you prevail in the arbitration and the award you receive from the arbitrator is higher than SolarCity's last written settlement offer. When determining whether your award is higher than SolarCity's last written settlement offer your attorney's fees and costs will not be included.

Only Disputes involving you and SolarCity may be addressed in the arbitration. Disputes must be brought in the name of an individual person or entity and must proceed on an individual (non-class, non-representative) basis. The arbitrator will not award relief for or against anyone who is not a party. If either of us arbitrates a Dispute, neither of us, nor any other person, may pursue the Dispute in arbitration as a class action, class arbitration, private attorney general action or other representative action, nor may any such Dispute be pursued on your or our behalf in any litigation in any court. Claims regarding any Dispute and remedies sought as part of a class action, class arbitration, private attorney general or other representative action are subject to arbitration on an individual (non-class, non-representative) basis, and the arbitrator may award relief only on an individual (non-class, non-representative) basis. This means that the arbitration may not address disputes involving other persons with disputes similar to the Disputes between you and SolarCity.

The arbitrator shall have the authority to award any legal or equitable remedy or relief that a court could order or grant under this agreement. The arbitrator, however, is not authorized to change or alter the terms of this agreement or to make any award that would extend to any transaction other than yours. All statutes of limitations that are applicable to any dispute shall apply to any arbitration between us. The Arbitrator will issue a decision or award in writing, briefly stating the essential findings of fact and conclusions of law.

BECAUSE YOU AND WE HAVE AGREED TO ARBITRATE ALL DISPUTES, NEITHER OF US WILL HAVE THE RIGHT TO LITIGATE THAT DISPUTE IN COURT, OR TO HAVE A JURY TRIAL ON THAT DISPUTE, OR ENGAGE IN DISCOVERY EXCEPT AS PROVIDED FOR IN THE RULES. FURTHER, YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS PERTAINING TO ANY DISPUTE. THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING ON THE PARTIES AND MAY BE ENTERED AND ENFORCED IN ANY COURT HAVING JURISDICTION, EXCEPT TO THE EXTENT IT IS SUBJECT TO REVIEW IN ACCORDANCE WITH APPLICABLE LAW GOVERNING ARBITRATION AWARDS. OTHER RIGHTS THAT YOU OR WE WOULD HAVE IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

## 19. WAIVER

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

## 20. NOTICES

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

## 21. ENTIRE AGREEMENT; CHANGES

This Lease contains the parties' entire agreement regarding the lease of the System. There are no other agreements regarding this Lease, either written or oral. Any change to this Lease must be in writing and signed by both parties. If any portion of this Lease is determined to be unenforceable, the remaining provisions shall be enforced in accordance with their terms or shall be interpreted or re-written so as to make them enforceable.

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## 22. PUBLICITY

SolarCity will not publicly use or display any images of the System unless you initial the space below. If you initial the space below, you give SolarCity permission to take pictures of the System as installed on your Home to show to other customers or display on our website.

DS
Homeowner's Initials

## 23. NOTICE OF RIGHT TO CANCEL

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

## 24. ADDITIONAL RIGHTS TO CANCEL

**IN ADDITION TO ANY RIGHTS YOU MAY HAVE TO CANCEL THIS LEASE UNDER SECTIONS 6 AND 23, YOU MAY ALSO CANCEL THIS LEASE AT NO COST AT ANY TIME PRIOR TO COMMENCEMENT OF CONSTRUCTION ON YOUR HOME.**

## 25. Pricing

The pricing in this Lease is valid for 30 days after 12/13/2014. If you don't sign this Lease and return it to us on or prior to 30 days after 12/13/2014, SolarCity reserves the right to reject this Lease unless you agree to our then current pricing.

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

**Customer's Name: Mark Seaton**

Signature: DocuSigned by: 3B4B3471A94D4A7...

Date: 12/13/2014

**Customer's Name: Peggy Janovick**

Signature: DocuSigned by: 55203EC898A0451...

Date: 12/13/2014

SolarCity

**SolarLease**

SOLARCITY APPROVED

Signature:

LYNDON RIVE, CEO

SolarLease

SolarCity

Date: 12/13/2014

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## EXHIBIT 1 (SOLARCITY COPY)
## NOTICE OF CANCELLATION
## STATUTORILY-REQUIRED LANGUAGE

### Notice of Cancellation

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

**You may CANCEL this transaction, without any penalty or obligation, within THREE BUSINESS DAYS from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale and any negotiable instrument executed by you will be returned within TEN DAYS following receipt by the seller (SolarCity Corporation) 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 (SolarCity Corporation) 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 (SolarCity Corporation) regarding the return shipment of the goods at the seller's (SolarCity Corporation's) expense and risk. If you do make the goods available to the seller (SolarCity Corporation) and the seller (SolarCity Corporation) does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller (SolarCity Corporation), or if you agree to return the goods to the seller (SolarCity Corporation) 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 SolarCity Corporation, Document Receiving, 6611 Las Vegas Blvd. S., Unit 200, Las Vegas, NV 89119 NOT LATER THAN MIDNIGHT of the date that is THREE BUSINESS DAYS from the date you signed the Lease.**

**I, Mark Seaton, hereby cancel this transaction on _____ [Date].**

**Customer's Signature:**

_____

**Customer's Signature:**

_____

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

### Notice of Cancellation

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

**You may CANCEL this transaction, without any penalty or obligation, within THREE BUSINESS DAYS from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale and any negotiable instrument executed by you will be returned within TEN DAYS following receipt by the seller (SolarCity Corporation) 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 (SolarCity Corporation) 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 (SolarCity Corporation) regarding the return shipment of the goods at the seller's (SolarCity Corporation's) expense and risk. If you do make the goods available to the seller (SolarCity Corporation) and the seller (SolarCity Corporation) does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller (SolarCity Corporation), or if you agree to return the goods to the seller (SolarCity Corporation) 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 SolarCity Corporation, Document Receiving, 6611 Las Vegas Blvd. S., Unit 200, Las Vegas, NV 89119 NOT LATER THAN MIDNIGHT of the date that is THREE BUSINESS DAYS from the date you signed the Lease.**

**I, Mark Seaton, hereby cancel this transaction on _____ [Date].**

**Customer's Signature:**

_____

**Customer's Signature:**

_____

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# Exhibit 2

# PERFORMANCE GUARANTEE AND LIMITED WARRANTY

## 1. INTRODUCTION

This Performance Guarantee and Limited Warranty (this "Limited Warranty") is SolarCity's agreement to provide you warranties on the System you leased. The System will be professionally installed by SolarCity at the address you listed in the Lease. We will refer to the installation location as your "Property" or your "Home." This Limited Warranty begins when we start installing the System at your Home. We look forward to helping you produce clean, renewable solar power at your Home.

## 2. LIMITED WARRANTIES

### (a) Limited Warranties

SolarCity warrants the System as follows:

#### (i) System Warranty

During the entire Lease Term, under normal use and service conditions, the System will be free from defects in workmanship or defects in, or a breakdown of, materials or components (the "System Warranty");

#### (ii) Roof Warranty

When we penetrate your roof during a System installation we will warrant roof damage we cause due to our roof penetrations. This roof warranty will run the longer of (A) one (1) year following the completion of the System installation; and (B) the length of any existing installation warranty or new home builder performance standard for your roof (the "Roof Warranty Period"); and

#### (iii) Repair Promise

During the entire Lease Term, SolarCity will honor the System Warranty and will repair or replace any defective part, material or component or correct any defective workmanship, at no cost or expense to you (including all labor costs), when you submit a valid claim to us under this Limited Warranty (the "Repair Promise"). If we damage your Home, your belongings or your Property we will repair the damage we cause or pay you for the damage we cause as described in Section 6. SolarCity may use new or reconditioned parts when making repairs or replacements. SolarCity may also, at no additional cost to you, upgrade or add to any part of the System to ensure that it performs according to the guarantees set forth in this Limited Warranty. Cosmetic repairs that do not involve safety or performance shall be made at SolarCity's discretion.

### (b) Warranty Length

**(i)** The warranties in Sections 2(a)(i) and (a)(iii) above will start when we begin installing the System at your Home and continue through the entire Lease Term. Thus, for as long as you lease the System from SolarCity, you will have a System Warranty and our Repair Promise.

**(ii)** The Roof Warranty Period may be shorter than the System Warranty, as described in Section 2(a)(ii) above.

**(iii)** If you have assumed an existing Lease, then this Limited Warranty will cover you for the remaining balance of the existing Lease Term.

### (c) Performance Warranties and Guarantee

#### (i) Power Production Guarantee

SolarCity guarantees that during the Lease Term the System will generate kilowatt-hours (kWh) as set forth in the table below and calculated as follows. To calculate the guaranteed amount of kWh for an applicable two-year period ("Guaranteed kWh") we will take the applicable year's Total kWh in the chart below minus the Total kWh from two years prior, also as indicated in the chart below:

| YEAR | TOTAL KWH | GUARANTEED PRICE/KWH |
|---|---|---|



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| | | |
|---|---|---|
| 2 | 27,614 | 0.1551 |
| 4 | 54,952 | 0.1659 |
| 6 | 82,018 | 0.1774 |
| 8 | 108,813 | 0.1897 |
| 10 | 135,341 | 0.2029 |
| 12 | 161,605 | 0.2170 |
| 14 | 187,607 | 0.2321 |
| 16 | 213,349 | 0.2482 |
| 18 | 238,835 | 0.2655 |
| 20 | 264,066 | 0.2840 |

A. If at the end of each successive twenty four (24) month anniversary of your first monthly payment the cumulative Actual kWh (defined below) generated by the System is less than the Guaranteed kWh, **then we will send you a refund check** equal to the difference between the cumulative Actual kWh and the Guaranteed kWh multiplied by the Guaranteed Energy Price per kWh (defined below). Your cumulative Actual kWh is dependent on a shading percentage of 0 % on your Home. If this shading percentage increases, your Guaranteed Actual kWh will be reduced proportionately.

For example, if the first twenty four (24) month period commences on October 1, 2013 and ends on September 30, 2015, and the energy the System was supposed to generate is less than the energy the system was guaranteed to generate during such twenty four (24) month period, we will pay you the difference in the Actual kWh and the Guaranteed kWh multiplied by the Guaranteed Energy price per kWh within thirty (30) days after we receive your request. See the table below for a real world example.

| Example Guaranteed kWh | Example Actual kWh | Example Guaranteed $/kWh Energy Price | Example Payment to You |
|---|---|---|---|
| 10,000 | 9,500 | $0.10 | $50.00 |

B. If at the end of each successive twenty four (24) month anniversary of your first monthly payment the Actual kWh is ***greater*** than the Guaranteed kWh during any twenty four (24) month period, this surplus will be carried over and will be used to offset any deficits that may occur in the future. If over the course of the Term your System produces more energy than the Guaranteed Output then this additional energy is yours at no additional cost.

**"Actual kWh"** means the AC electricity produced by your System in kilowatt-hours measured and recorded by SolarCity during each successive twenty four (24) month anniversary of your first monthly payment. To measure the Actual kWh we will use the PowerGuide Solar Monitoring Service or to the extent such services are not available, we will estimate the Actual kWh by reasonable means.

**"Guaranteed Energy Price per kWh"** is set out in the table immediately after the first paragraph in Section 2(c)(i) above.

**(ii) PowerGuide™ Solar Monitoring**

During the Lease Term, we will provide you at no additional cost our PowerGuide Solar Monitoring Service ("PowerGuide"). PowerGuide is a proprietary monitoring system designed and installed by SolarCity that captures and displays historical energy generation data over an



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Internet connection and consists of hardware located on site and software hosted by SolarCity. If your System is not operating within normal ranges, PowerGuide will alert us and we will remedy any material issues promptly.

**(iv) Output Warranty**

The System's electrical output during the first ten (10) years of the Lease Term shall not decrease by more than fifteen percent (15%). This output warranty is in addition to the Energy Production Guarantee in Section 2(c)(i) of this Exhibit 2 and you will be provided a refund check for underproduction as set forth in Section 2(c)(i).

**(d) Maintenance and Operation**

**(i) General**

When the System is installed SolarCity will provide you with a copy of its Solar Operation and Maintenance Guide. This Guide provides you with System operation and maintenance instructions, answers to frequently asked questions, troubleshooting tips and service information.

**(ii) PowerGuide**

PowerGuide requires a high speed Internet line to operate. Therefore, during the Lease Term, you agree to maintain the communication link between PowerGuide and the System and between PowerGuide and the Internet. You agree to maintain and make available, at your cost, a functioning indoor internet connection with a router, one DHCP enabled Ethernet port with internet access and standard AC power outlet close enough and free of interference to enable an internet-connected gateway provided by SolarCity to communicate wirelessly with the system's inverter (typically this is 80 feet, but may depend on site conditions). This communication link must be a 10/100 Mbps Ethernet connection that supports common Internet protocols (TCP/IP and DHCP). If you do not have and maintain a working high speed Internet line then (A) we will not be able to monitor the System and provide you with the Power Production Guarantee or provide PowerGuide; and (B) you will be required to provide SolarCity with annual production information from your inverter.

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

**(i) Claims Process**

You can make a claim by:

A. emailing us at the email address in Section 7 below;

B. writing us a letter and sending it overnight mail with a well-known service; or

C. sending us a fax at the number in Section 7 below.

**(ii) Transferable Limited Warranty**

SolarCity will accept and honor any valid and properly submitted Warranty claim made during any Lease Term by any person who either purchases the System from you or to whom you properly transfer the Lease.

**(f) Exclusions and Disclaimer**

The limited warranties and guarantee provided in this Limited Warranty do not apply to any lost power production or any repair, replacement or correction required due to the following:

(i) someone other than SolarCity or its approved service providers installed, removed, re-installed or repaired the System;

(ii) destruction or damage to the System or its ability to safely produce power not caused by SolarCity or its approved service providers while servicing the System (e.g. if a tree falls on the System we will replace the System per the Lease, but we will not repay you for power it did not produce);

(iii) your failure to perform, or breach of, your obligations under the Lease (e.g. you modify or alter the System);

(iv) your breach of this Limited Warranty, including your being unavailable to provide access or assistance to us in diagnosing or repairing a problem, or your failing to maintain the System as stated in the Solar Operation and Maintenance Guide;

(v) any Force Majeure Event (as defined below);

(vi) shading from foliage that is new growth or is not kept trimmed to its appearance on the date the System was installed;



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(vii) any system failure or lost production not caused by a System defect (e.g. the System is not producing power because it has been removed to make roof repairs or you have required us to locate the inverter in a non-shaded area);

(viii) theft of the System (e.g. if the System is stolen we will replace the System per the Lease, but we will not repay you for the power it did not produce); and

(ix) damage or loss to the System due to ball strikes.

This Limited Warranty gives you specific rights, and you may also have other rights which vary from state to state. This Limited Warranty does not warrant any specific electrical performance of the System, other than that described above.

Snow or ice may accumulate on rooftops and on solar panels during snow storms. Accumulated snow or ice may slide or fall, resulting in property damage or bodily harm. If and when conditions safely allow you to remove accumulated snow or ice, you should do so to reduce the likelihood of excess snow sliding or falling.

THE LIMITED WARRANTIES DESCRIBED IN SECTIONS 2(a) and (c) ABOVE ARE THE ONLY EXPRESS WARRANTIES MADE BY SOLARCITY WITH RESPECT TO THE SYSTEM. SOLARCITY HEREBY DISCLAIMS, AND ANY BENEFICIARY OF THIS LIMITED WARRANTY HEREBY WAIVES, ANY WARRANTY WITH RESPECT TO ANY COST SAVINGS FROM USING THE SYSTEM. SOME STATES DO NOT ALLOW SUCH LIMITATIONS, SO THE ABOVE LIMITATIONS MAY NOT APPLY TO YOU.

## 3. SOLARCITY'S STANDARDS

For the purpose of this Limited Warranty the standards for our performance will be (i) normal professional standards of performance within the solar photovoltaic power generation industry in the relevant market; and (ii) Prudent Electrical Practices. "Prudent Electrical Practices" means those practices, as changed from time to time, that are engaged in or approved by a significant portion of the solar power electrical generation industry operating in the United States to operate electric equipment lawfully and with reasonable safety, dependability, efficiency and economy.

## 4. SYSTEM REPAIR, RELOCATION OR REMOVAL

(a) **Repair**. You agree that if (i) the System needs any repairs that are not the responsibility of SolarCity under this Limited Warranty, (ii) the system needs to be removed and reinstalled to facilitate remodeling of your Home or (iii) the system is being relocated to another home you own pursuant to the Lease, you will have SolarCity, or another similarly qualified service provider, at your expense, perform such repairs, removal and reinstallation, or relocation on a time and materials basis.

(b) **Removal/Moving**. SolarCity will remove and replace the System from your roof while roof repairs are being made for a payment of $499. You will need to provide storage space for the System during such time. Where permitted under the Lease, SolarCity will work with you to conduct an audit of your existing Home and new home to determine if a move is commercially feasible. This audit will cost $499. If SolarCity determines that a move is commercially feasible, it will then move the System for an additional payment of $499.

(c) **Return**. If at the end of the Term you want to return the System to SolarCity under Section 17 of the Lease then SolarCity will remove the System at no cost to you. SolarCity will remove the posts, waterproof the post area and return the roof as close as is reasonably possible to its original condition before the System was installed (e.g. ordinary wear and tear and color variances due to manufacturing changes are excepted). SolarCity will warrant the waterproofing for one (1) year after it removes the System. You agree to reasonably cooperate with SolarCity in removing the System including providing necessary space, access and storage, and we will reasonably cooperate with you to schedule removal in a time and manner that minimizes inconvenience to you.

## 5. FORCE MAJEURE

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

**(a)** SolarCity, as soon as is reasonably practical, gives you notice describing the Force Majeure Event;

**(b)** SolarCity's suspension of its obligations is of no greater scope and of no longer duration than is required by the Force Majeure Event (i.e. when a Force Majeure Event is over, we will make repairs); and

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**(c)** No SolarCity obligation that arose before the Force Majeure Event that could and should have been fully performed before such Force Majeure Event is excused as a result of such Force Majeure Event.

"Force Majeure Event" means any event, condition or circumstance beyond the control of and not caused by SolarCity's fault or negligence. It shall include, without limitation, failure or interruption of the production, delivery or acceptance of power due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; the binding order of any governmental authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any governmental authority (provided that such action has been timely requested and diligently pursued); unavailability of power from the utility grid, equipment, supplies or products (but not to the extent that any such availability of any of the foregoing results from SolarCity's failure to have exercised reasonable diligence); power or voltage surge caused by someone other than SolarCity including a grid supply voltage outside of the standard range specified by your utility; and failure of equipment not utilized by SolarCity or under its control.

## 6. LIMITATIONS ON LIABILITY

### (a) No Consequential Damages

YOU MAY ONLY RECOVER DIRECT DAMAGES INCLUDING THOSE AMOUNTS DUE PURSUANT TO SECTIONS 2(c) AND 6(C) UNDER THIS LIMITED WARRANTY, AND IN NO EVENT SHALL SOLARCITY OR ITS AGENTS OR SUBCONTRACTORS BE LIABLE TO YOU OR YOUR ASSIGNS FOR SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

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

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

### (c) Limit of Liability

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

(i) For System Replacement: exceed the greater of (a) the sum of the Lease payments over the Term of the Lease; and (b) the original cost of the System; and

(ii) For damages to your Home, Belongings and Property: exceed two million dollars ($2,000,000).

## 7. NOTICES

All notices under this Limited Warranty shall be made in the same manner as set forth in the Lease to the addresses listed below:

**TO SOLARCITY:** SolarCity Corporation
3055 Clearview Way
San Mateo, CA 94402
Attention: Warranty Claims
Telephone: 650-638-1028
Facsimile: 650-638-1029
Email: leaseadministrator@solarcity.com

**TO YOU:** At the billing address in the Lease or any subsequent billing address you give us.

## 8. ASSIGNMENT AND TRANSFER OF THIS LIMITED WARRANTY

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



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any person who purchases the System from you or to whom you properly transfer the Lease. This Limited Warranty contains the parties' entire agreement regarding the limited warranty of the System.

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