

Solar Rooftops Program Lease Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Community Solar Program Manager
Power Planning and Development Division
Department of Water and Power of the City of Los Angeles
111 North Hope Street, Room 968
Los Angeles, CA 90012

Attention: _____

SOLAR ROOFTOPS PROGRAM LEASE AGREEMENT

THIS SOLAR ROOFTOPS PROGRAM LEASE AGREEMENT (this "Lease") is made by and between _____ and _____ (singularly and collectively "Homeowner") and the Department of Water and Power of the City of Los Angeles ("LADWP"). Homeowner and LADWP may be referred to hereinafter individually as a "Party," or collectively as the "Parties."

RECITALS

A. Homeowner is the owner of certain real property located at _____, California, as further described on Attachment A attached hereto (the "Property"), upon which there is erected a residential Home (the "Home").

B. LADWP desires to install, own and operate a photovoltaic solar system and all monitoring and other ancillary equipment therefor, including, without limitation, revenue grade, dual channel, digital metering equipment and recorders with cellular communication capabilities and excluding for definitional purposes an ESS System, on the Home ("Photovoltaic System"), for the exclusive purpose of generating electrical power.

C. LADWP desires to install, own and operate ancillary to the Photovoltaic System, when applicable, an energy storage system (ESS) consisting of lithium-ion batteries or a functionally similar technology, and any replacements thereof with the same nameplate capacity, and all monitoring and other ancillary equipment therefor, excluding for definitional purposes a Photovoltaic System, on the Home ("ESS System"), for the exclusive purpose of optimizing the delivery of electrical power to increase the reliability of LADWP distribution circuits and enhance resource management.

D. Homeowner desires LADWP to install on the Property the following ("SRP System"); only one option may be selected:

- Photovoltaic System (default option if no box is checked)
- Photovoltaic System and optimizing ESS System ("Optimized Photovoltaic System")

E. LADWP desires to lease from Homeowner the rooftop of the Home, and related portions of the Property as more particularly described herein, in order to install, maintain and operate the Photovoltaic System and/or the Optimized Photovoltaic System, as detailed above, and Homeowner desires to permit such installation, maintenance and operation on the terms and conditions set forth herein.

AGREEMENT

1.1 Lease to Accommodate Photovoltaic System. Homeowner does hereby lease to LADWP in accordance with the terms and conditions set forth herein the rooftop of the Home for the

purpose of constructing, installing, operating, maintaining, improving and removing a Photovoltaic System with a nameplate capacity of ____ kW. LADWP's rights hereunder shall include: (i) the right to run communication and electrical wiring, and conduit from the Photovoltaic System to the electrical panel, ESS System, if applicable, and other areas outside the Home on the Property, including LADWP's interconnection and metering facilities, along with the right to make such penetrations in the roof structure as necessary in connection with the foregoing; and (ii) the right to trim and maintain trees and other vegetation on the property so that the Photovoltaic System is exposed to the same amount of sunlight during daylight hours as when the Photovoltaic Facility was installed on the Property.

1.2 Lease to Accommodate ESS System. If applicable, the Homeowner does hereby lease to LADWP in accordance with the terms and conditions set forth herein a portion of the Property of the Home for the purpose of constructing, installing, operating, maintaining, improving and removing an ESS System with a nameplate capacity of ____ kW. LADWP's rights hereunder shall include the right to run communication and electrical wiring and conduit from the ESS System to the electrical panel, Photovoltaic System and other areas outside the Home on the Property, including LADWP's interconnection and metering facilities, along with the right to make such penetrations on or within the Home as necessary in connection with the foregoing. This section applies only to a Lease that installs an Optimized Photovoltaic System.

1.3 Access. LADWP and its employees, representatives and agents shall have the right of unobstructed access over, across, under and through the Property as reasonably necessary for the purposes set forth in this Lease. LADWP will provide Homeowner reasonable electronic, telephonic or written notice to Homeowner before any entry onto the Property by LADWP's employees, agents or representatives. Notwithstanding anything to the contrary in this Lease, LADWP shall have the right of access to the Property 24 hours a day, seven days a week for emergency purposes, as reasonably determined by LADWP. Within 24 hours of any such emergency access, LADWP shall provide Homeowner with a written explanation of the nature of the emergency.

1.4 Effective Date. Following full execution by the Parties, this Lease shall commence on the first date the SRP System is installed and approved, by the Los Angeles Department of Building and Safety, to be energized to produce electrical energy at the Property and is so energized (the "Effective Date").

1.5 Lease Term. The term of this Lease (the "Term") shall start on the Effective Date and continue to and including the twentieth (20th) anniversary of the Effective Date unless terminated by either Party with a 60 day written notice provided at any time following the first anniversary of the Effective Date. As used herein, "Termination Date" means the date this Lease expires or terminates in accordance with this Section.

1.6 Consideration and Payments. Commencing thirty (30) days following the Effective Date ("Rent Commencement Date") and ending upon the Termination Date of the Lease, LADWP shall pay Homeowner a monthly fee of \$_____ ("Rent"), payable, at LADWP's option, as a credit on Homeowner's LADWP utility bill or as a \$_____ check issued to the Homeowner as payment in advance for 12 months of Rent. The Rent shall be prorated on a daily basis in the event that the Rent Commencement Date or the Termination Date does not coincide with the end of a calendar month. In the event of early termination of the Lease, Homeowner shall, within 30 days of such termination, send payment to LADWP at the address listed in section 6.1 of the prorated portion of any advanced Rent payment made by LADWP.

**ARTICLE II.
INSTALLATION, OPERATION, MAINTENANCE AND OWNERSHIP
OF THE PHOTOVOLTAIC SYSTEM**

2.1 Installation. Homeowner hereby consents to the installation of the SRP System on the Property. LADWP shall be responsible for all costs and the performance of all tasks required for installation of the SRP System.

2.2 Operations and Maintenance/Security/Risk of Loss. LADWP shall be solely responsible for the operation and maintenance of the SRP System. LADWP shall bear all risk of loss or damage to the SRP System, except to the extent due solely to the negligence or willful misconduct of Homeowner.

2.3 Maintenance and Repairs; Site Substitution.

a. Homeowner shall be responsible for the structural maintenance and upkeep of the Home including the roof, provided that Homeowner shall not be responsible for the maintenance and upkeep of the SRP System or any penetrations made in connection with the SRP System, for which LADWP shall be solely responsible.

b. If, during the Term, Homeowner needs to repair or replace the roof of the Home or perform any other maintenance work to the Property that would require the removal and reinstallation of the SRP System (collectively, "Improvement Work"), LADWP agrees to cooperate with Homeowner in achievement of such Improvement Work, provided, however, that LADWP will only remove and reinstall the SRP System one time during the term of the Lease at no cost to Homeowner for such purpose. Homeowner shall provide at least fifteen (15) days' notice to LADWP of Homeowner's intention to perform Improvement Work, except in the case of emergency Improvement Work for which Homeowner shall give as much notice as possible under the circumstances.

2.4 Title. Title to the SRP System and all improvements placed on the Property by LADWP shall be held by LADWP. Homeowner acknowledges and agrees that, notwithstanding that the SRP System shall be attached to the roof of the Home and may be deemed a fixture on the Property, (i) Homeowner has no ownership interest in the SRP System, (ii) LADWP is the exclusive owner and operator of the SRP System, and (iii) the SRP System may not be sold, leased, assigned, mortgaged, pledged or otherwise alienated or encumbered with the fee interest or leasehold rights to the Property by Homeowner.

2.5 Environmental Attributes. Notwithstanding the SRP System's presence on the Property (whether or not it is a fixture), LADWP shall own (and to the extent otherwise accrued to Homeowner, Homeowner shall irrevocably assign to LADWP) and may assign or sell in its sole discretion, all right, title and interest, now in existence or arising hereafter, associated with or resulting from the development and installation of the SRP System or the production, sale, purchase or use of the electrical energy output of the SRP System, including, without limitation, all rights, credits (including tax credits), rebates, benefits, reductions, offsets, and allowances and entitlements of any kind, howsoever entitled or named (including carbon credits and allowances), whether arising under federal, state or local law, international treaty, trade association membership or the like arising from the environmental attributes of the SRP System or the energy output of the SRP System, further including, without limitation, green tags, renewable energy credits, tradable renewable certificates, portfolio energy credits, the right to apply for (and entitlement to receive) incentives under incentive programs offered by the State of California and the right to claim U.S. Department of Treasury ARRA grants under Section 1603 and/or federal income tax credits under Sections 45 and/or 48 of the Internal Revenue Code.

ARTICLE III. INSURANCE AND INDEMNIFICATION

3.1 Insurance. All property insurance shall be the responsibility of Homeowner. Homeowner warrants and represents that it shall maintain, during the Term of the Lease, property insurance to the full replacement value of the Home.

3.2 Hold Harmless. Either Party ("Holding Party") shall hold the other Party harmless (including any employees, directors or officers) from and against any and all third party claims, suits, damages, losses and liabilities, arising out of property damage, personal injury and bodily injury to the

extent caused by Holding Party's sole negligence or willful misconduct. The provisions of this paragraph shall survive the termination of this Lease.

**ARTICLE IV.
REPRESENTATIONS, WARRANTIES AND ADDITIONAL COVENANTS**

4.1 Authority to Execute. Homeowner and LADWP do each hereby respectively represent to the other that it has the capacity and authority to enter into this Lease.

4.2 Obstruction or Interference. Homeowner shall not initiate or conduct activities that are reasonably likely to have an adverse effect on the SRP System's exposure to sunlight during daylight hours.

4.3 Cooperation/Recordation/Estoppel. Upon the receipt of a written request from the other Party, each Party shall execute such additional documents, instruments and assurances and take such additional actions as are reasonably necessary and desirable to carry out the terms and intent hereof. Neither Party shall unreasonably withhold condition or delay its compliance with any reasonable request made pursuant to this Section. Homeowner consents to and hereby appoints LADWP as its attorney in fact for the purpose of recording this Lease or a memorandum of this Lease in the land registry or title records of the county where the Property is located or other applicable government office.

**ARTICLE V.
DEFAULT AND REMOVAL**

5.1 Default. Upon failure of a Party to make or cause to be made any payment when due and owing, or to perform or cause to be performed any other obligation to be performed by it, pursuant to the terms, covenants and conditions contained in this Lease, the other Party may make written demand upon said Party for such payment or performance. It shall be an "Event of Default" if the defaulting Party fails to cure such default within 30 days, or sixty (60) days if a payment default, following the date on which such Party receives written notice of such default. Upon the occurrence of an Event of Default, in addition to the remedies set forth herein, the non-defaulting Party shall be entitled to exercise any and all remedies available to it under applicable law, including termination of the Lease.

5.2 Removal Following Termination. Within sixty (60) days following the Termination Date of this Lease, LADWP shall remove the SRP System and surrender the Property in good order and repair at LADWP's cost, reasonable wear and tear, casualty and condemnation excepted. If LADWP fails to remove any portion or all of the SRP System within the required time period, such portion of the SRP System shall be considered abandoned by LADWP, and Homeowner may remove the SRP System and dispose of it in Homeowner's sole discretion without notice to LADWP.

**ARTICLE VI.
MISCELLANEOUS**

6.1 Notices. Except as otherwise specified herein, all notices and other communications hereunder shall be in writing and may be given by personal delivery or by mail. Such notices sent by mail should be registered or certified and sent to the Parties as follows:

To the Homeowner at the Property address listed on the first page of this Lease.

To LADWP:

Community Solar Program Manager
Power Planning and Development Division
Department of Water and Power of the City of Los Angeles
111 North Hope Street, Room 968
Los Angeles, CA 90012

6.2 Successors. This Lease shall burden the Property and shall run with the land. This Lease shall inure to the benefit of and be binding upon Homeowner and LADWP, and their respective heirs, successors and permitted assigns. Homeowner shall notify LADWP no less than thirty (30) calendar days prior to transferring ownership of the Property to any third party.

6.3 Severability. Should any provision of this Lease for any reason be declared invalid or unenforceable by final and non-appealable order of any court or regulatory body having jurisdiction, such decision shall not affect the validity of the remaining portions, and the remaining portions shall remain in full force and effect as if this Lease had been executed without the invalid portion.

6.4 Entire Agreement. This Lease constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes any other prior agreements, written or oral, between the Parties concerning such subject matter.

6.5 Third Party Beneficiaries. Nothing in this Lease shall provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the Parties that this Lease shall not be construed as a third party beneficiary contract.

6.6 Governing Law. This Lease was made and entered into in the City of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflicts of laws principles. All litigation arising out of, or relating to, this Lease shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

6.7 Waiver. A waiver of a default of any part, term or provision of this Lease shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A Party's performance after the other Party's default shall not be construed as a waiver of that default.

6.8 Attorney's Fees and Costs. Both Parties hereto agree that, in any action to enforce the terms of this Lease, each Party shall be responsible for its own attorneys' fees and costs. The provisions of this paragraph shall survive expiration or termination of this Lease.

Executed at _____, California as of the day and year set forth below.

Homeowner(s) Signature/Date

DAVID H. WRIGHT
General Manager

Homeowner(s) Signature/Date

ATTACHMENT A
to
SOLAR ROOFTOPS PROGRAM LEASE AGREEMENT

Legal Description of the Property