

SOLAR ENERGY SYSTEM OPTION DISCLOSURE

1. **SOLAR ENERGY SYSTEM OPTION.** Prospective home buyers may purchase a solar energy system (“**System**”) to be installed on the roof of the home that you are considering to purchase in this neighborhood (the “**Residence**”) in accordance with provisions of the “Structural Options Order Addendum” (**Addendum “H”**) to the purchase agreement for this neighborhood. The System collects energy from the sun and converts it into electricity for use in the Residence and is intended for residential, personal family and household purposes only. The System will be installed on the Residence by a third party solar energy system installer (“**Solar Installer**”). Portions of the System will be manufactured by a solar energy system component manufacturer (“**System Component Manufacturer**”) and portions of the System will either be manufactured and/or supplied by the Solar Installer in connection with the installation of the System on the Residence. Seller has no ownership interest in and is not affiliated in any way with the Solar Installer or any System Component Manufacturer.

2. **TOTAL INSTALLED COST OF THE SYSTEM.** You may obtain the current pricing for the available Systems for the Residence from the sales office representative of this neighborhood, and such pricing will be subject to the provisions of Addendum “H”. Until you purchase a System in accordance with Addendum “H”, the availability and price of the solar energy systems offered by Seller are subject to change without prior notice. Seller reserves the right to add or delete any solar energy system from Seller’s list of Structural Options at any time without prior notice. After certain stages of construction of the Residence have been completed, the purchase price for a System will increase due to the costs of reconstructing portions of the Residence to accommodate the installation of the System. If you are purchasing a Residence that is already under construction, the purchase price for a System shall be determined by Seller based on the increased costs of installing the System on a Residence (including potential reconstruction of portions of the Residence as provided above).

3. **SYSTEM PERFORMANCE.**

3.1 **No Energy Output Guarantee.** All information regarding the estimated electrical output for the System, the number of kilowatts the System will generate, and any savings that you might expect to receive in your electricity bill are calculated and provided solely by the Solar Installer. Notwithstanding any written, verbal or electronic statements or materials that have been made available to you or that you have received or may hereafter receive from Seller, Solar Installer or a System Component Manufacturer, Seller does not make any representation or warranty of any kind whatsoever, express or implied, regarding the electrical output for the System, the number of kilowatts the System will generate, any savings that you can expect to receive in your electricity bill or any other matter whatsoever bearing upon the performance, efficiency, output or electrical generating capacity of the System. Additionally, the performance of the System may decrease over time.

3.2 **Factors Affecting the Operation of a System and Energy Savings.** There are a variety of factors that can positively or negatively affect the electricity generating capacity of the System (including, without limitation, the plan type and architectural elevation of the Residence, the placement of the System on the roof and the System’s orientation, the cleanliness of the solar panels, frequency of cloud cover and other weather conditions, seasonality, the presence of streetlights, the growth of trees and other vegetation and/or the addition of structural improvements or other modification to the exterior of the Residence or a residence on a neighboring property). Because of these and other factors, the electrical generating capacity of the System may be less than or greater than a solar energy system installed on a neighboring property or any other property within the Community, even when the size and other parameters of the solar energy system installed on such neighboring property are the same as the System installed on the Residence. Actual energy costs and/or usage are dependent on a number of factors, including, without limitation, utility rates, energy consumption, home maintenance, energy conservation practices, and the other factors affecting the operation of a solar energy system referenced above. Seller does not guarantee or warrant any actual energy costs savings.

3.3 **California Go Solar Website.** The California Energy Commission’s New Solar Homes Partnership (NSHP) is part of the comprehensive statewide solar program, known as the California Solar Initiative. More information can be obtained from a number of resources, including but not limited to the “California Go Solar” Website. See, <http://www.gosolarcalifornia.org>.

3.4 **Information from the State of California.** The sales representative for this neighborhood can identify for you the specific California Building Climate Zone in which this neighborhood is located (“**Climate Zone**”). For more information on the estimated cost savings associated with the Solar Energy System option for this Climate Zone, please refer to the following information set forth in the California Administrative Code Title 20, Section 2702:

Table 1: Estimated Annual kWh Generation and Dollar Savings of a 1 kW Solar Energy System

Climate Zone	Estimated Annual kWh/kWstc Generation	Estimated Annual Dollar Savings at Various Utility Electric Energy Rates				
		\$0.10/kWh	\$0.15/kWh	\$0.20/kWh	\$0.25/kWh	\$0.30/kWh
CZ01	1220-1475	\$122-\$148	\$183-\$221	\$244-\$295	\$305-\$369	\$366-\$443
CZ02	1420-1660	\$142-\$166	\$213-\$249	\$284-\$332	\$355-\$415	\$426-\$498
CZ03	1515-1885	\$152-\$189	\$227-\$283	\$303-\$377	\$379-\$471	\$455-\$566
CZ04	1560-1920	\$156-\$192	\$234-\$288	\$312-\$384	\$390-\$480	\$468-\$576
CZ05	1570-1965	\$157-\$197	\$236-\$295	\$314-\$393	\$393-\$491	\$471-\$590
CZ06	1590-1980	\$159-\$198	\$239-\$297	\$318-\$396	\$398-\$495	\$477-\$594
CZ07	1545-1940	\$155-\$194	\$232-\$291	\$309-\$388	\$386-\$485	\$464-\$582
CZ08	1565-1965	\$157-\$197	\$235-\$295	\$313-\$393	\$391-\$491	\$470-\$590
CZ09	1570-1870	\$157-\$187	\$236-\$281	\$314-\$374	\$393-\$468	\$471-\$561
CZ10	1560-1880	\$156-\$188	\$234-\$282	\$312-\$376	\$390-\$470	\$468-\$564
CZ11	1595-1905	\$160-\$191	\$239-\$286	\$319-\$381	\$399-\$476	\$479-\$572
CZ12	1670-1975	\$167-\$198	\$251-\$296	\$334-\$395	\$418-\$494	\$501-\$593
CZ13	1705-2000	\$171-\$200	\$256-\$300	\$341-\$400	\$426-\$500	\$512-\$600
CZ14	1790-2140	\$179-\$214	\$269-\$321	\$358-\$428	\$448-\$535	\$537-\$642
CZ15	1755-2085	\$176-\$209	\$263-\$313	\$351-\$417	\$439-\$521	\$527-\$626
CZ16	1560-1860	\$156-\$186	\$234-\$279	\$312-\$372	\$390-\$465	\$468-\$558

Note: The estimated annual kWh/kWstc generation values are from calculations using the Solar Offset Program Calculator, which is based on the California Energy Commission Photovoltaic (CECPV) model. The actual performance of a solar energy system will be based on numerous factors, including but not limited to, the available solar insolation at the specific geographic location, the azimuth and tilt of the solar energy system, shading conditions at the specific location, and system loss factors. The estimated annual dollar savings are based on a flat utility electric energy rate rather than a tiered rate. The actual dollar savings will be based on the utility electric energy rate structure, the overall electricity consumption of the Residence, and the amount of energy produced by the solar energy system. The values in the table should not be interpreted as a guarantee of solar energy system performance nor should the values be used as the sole basis for purchasing a solar energy system. Prospective home buyers interested in purchasing a solar energy system are encouraged to obtain a site specific estimate of annual energy generation and dollar savings solely from Solar Installer. Prospective home buyers are encouraged to visit the Go Solar California website: www.gosolarcalifornia.org/tools/calculators.php, to view a number of online calculators that have been developed to help make a decision on going solar. The Energy Commission climate zone map is located at: www.energy.ca.gov/maps/building_climate_zones.html

4. **FEDERAL, STATE AND/OR LOCAL ENERGY INCENTIVES.** Prospective home buyer may qualify for federal, state, local and/or utility company incentives, rebates, tax credits and/or other financial benefits (collectively “**Incentives**”) to defray the cost of the System. The availability of any Incentives may be limited. Seller strongly recommends that you contact your financial, tax and/or legal advisors for details and information regarding the availability and amount of any Incentives and whether you qualify for any Incentives given your individual tax and financial circumstances. You are solely responsible for investigating what Incentives, if any, may be available relating to the System, for obtaining financial, tax and/or legal advice regarding any Incentives, and for taking all steps necessary to obtain any Incentives. Information regarding federal tax credit is available from the Internal Revenue Service at <http://www.irs.gov>. The Database of State Incentives for Renewables and Efficiency (<http://www.dsireusa.org>) is another source of information regarding Incentives. Additional information regarding Incentives is available on the “California Go Solar” Website referenced above, and may also be provided by Solar Installer. This information is provided for general reference purposes only and is not intended to constitute tax advice. Neither Seller, any of its affiliated companies or divisions, nor any of their respective directors, officers, employees, sales agents or other representatives makes any representation or warranty of any kind whatsoever, express or implied, regarding the availability of any Incentives relating to the System or regarding eligibility for any Incentives or likelihood of obtaining, in whole or in part, any Incentives.