

SOLAR ADDENDUM

DRAFT

Document updated:
February 2022
November 2025



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. Seller: _____
2. Buyer: _____
3. Premises Address: _____
4. Date: _____
5. A solar photovoltaic ("PV") panel system ("Solar System") has been installed on the Premises. The Solar System shall convey with the Premises pursuant to the terms set forth below and the following additional terms and conditions are hereby included as a part of the Contract between Seller and Buyer for the above referenced Premises if marked by an "X" and initialed by Seller and Buyer. The terms and conditions of the Contract are included herein by reference.

The process of transferring the Solar System to Buyer will likely take significant time, even if the Solar System is owned outright. Seller should initiate the transfer process immediately upon contract acceptance. Similarly, Buyer should promptly apply for, provide documents, and otherwise facilitate the transfer without delay. Both parties are advised to set a realistic Close of Escrow date that provides sufficient time to facilitate the transfer.

9. INSTRUCTIONS:

10. Mark the appropriate box on line 15 and complete only Sections 1 and 3 if the Solar System installed on the Premises is owned outright by Seller or will be paid in full at, and as a condition of, Close of Escrow or utility owned and is not subject to a lease or unpaid loan. ~~mark the appropriate box on line 14 and complete only Sections 1 and 3.~~
12. **OR**
13. Mark the box on line 24 and complete only Sections 2 and 3 if the Solar System installed on the Premises is subject to a lease or unpaid loan and Buyer's purchase of the Premises is contingent on Buyer's assumption of the Solar System lease/loan. ~~mark the box on line 23 and complete only Sections 2 and 3.~~

15. 1. ■ Seller Owned or ■ Utility Owned Solar System

16. **Seller Disclosure:** Within three (3) days after Contract acceptance, Seller shall deliver to Buyer all documents in Seller's possession pertaining to the Solar System installed on the Premises. The Solar System documents in Seller's possession are collectively hereinafter referred to as the "Solar System Documents."
19. **Buyer Disapproval:** Buyer shall provide notice of any Solar System related items disapproved within the Inspection Period or five (5) days after receipt from Seller of the Solar System Documents, whichever is later. Buyer's failure to deliver a signed notice of cancellation within the specified time period shall conclusively be deemed Buyer's election to proceed with the transaction, subject to the contingencies set forth in the Contract.

23. If lines 15 - 22 apply: BUYER'S AND SELLER'S INITIALS REQUIRED

_____ / _____

BUYER BUYER SELLER SELLER

24. 2. ■ Solar System Lease/Loan

25. **Lessor/Lien Holder:** The term "Lessor," as used herein, shall refer to the company that leases the Solar System to Seller, or the servicer on the unpaid loan used by Seller to purchase the Solar System.
27. **Seller Disclosure:** Within three (3) days after Contract acceptance, Seller shall: (i) deliver to Buyer the most recent version of the Solar System lease/loan; (ii) deliver to Buyer all other Solar System documents in Seller's possession; (iii) provide to Buyer the name

29. and phone number of Lessor; ~~and~~ (iv) notify Lessor of the sale, the name of Buyer, and the name of the Escrow Company as set forth
30. in Section 3a of the Contract; ~~and (v) disclose whether or not Seller is current on their Lease/Loan.~~ The Solar System lease/loan and
31. other documents in Seller's possession are collectively hereinafter referred to as the "Solar System Documents."

32. **Buyer Disapproval:** Buyer shall provide notice of any Solar System related items disapproved within the Inspection Period or five (5) days
33. after receipt from Seller of the Solar System Documents, whichever is later. Buyer's failure to deliver a signed notice of cancellation within
34. the specified time period shall conclusively be deemed Buyer's election to proceed with the transaction, subject to the other contingencies
35. set forth herein and in the Contract. ~~Should Buyer elect to proceed with the transaction,~~ Buyer shall immediately apply for lease/loan
36. ~~A~~assumption ~~Approval~~ in the manner required by Lessor, and Seller and Buyer agree to cooperate fully with Lessor and supply the
37. necessary documentation to complete the assumption.

38. **Lease/Loan Assumption Contingency:** Buyer's obligation to complete this sale is contingent upon Buyer obtaining from Lessor approval
39. to assume the Solar System lease/loan under the ~~Seller's~~ existing terms and conditions no later than three (3) days prior to the Close of
40. Escrow date ("Assumption Approval"). ~~Buyer is advised to carefully review the Assumption Approval documents to verify the terms and~~
41. ~~conditions have remained the same.~~

42. **Unfulfilled Lease/Loan Assumption Contingency:** This Contract shall be cancelled, and Buyer shall be entitled to a return of the
43. Earnest Money if, after diligent and good faith effort, Buyer is: (i) unable to obtain Assumption Approval from Lessor; and (ii) delivers
44. to Seller a signed notice of inability to obtain Assumption Approval no later than three (3) days prior to the Close of Escrow date.
45. If Buyer is unable to obtain Assumption Approval within the specified time period, but fails to deliver such notice, Seller may issue
46. a cure notice to Buyer as required by Section 7a of the Contract and, in the event of Buyer's breach, Seller shall be entitled to the
47. Earnest Money pursuant to Section 7b of the Contract. If, prior to expiration of the Cure Period, Buyer delivers notice of inability to
48. obtain Assumption Approval, Buyer shall be entitled to a return of the Earnest Money.

~~49. **Transfer Fees:** Unless required by Lessor, any mandatory Lessor fees associated with Buyer's assumption of the Solar System~~
~~50. **lease/loan and/or the transfer of the Solar System to Buyer, including, but not limited to, document processing fees, shall be paid by:**~~
~~51. **■ Buyer ■ Seller ■ Other** _____ **at the time payment is required and is non-refundable.**~~

52. **Credit Score Fee:** In the event Buyer does not meet the required credit score mandated by Lessor to assume the Solar System
53. lease/loan and a credit score fee is imposed by Lessor in exchange for issuing Assumption Approval, Buyer shall have the right
54. to provide notice of cancellation within the Inspection Period or five (5) days after receipt of notice from Lessor of the credit score
55. fee, whichever is later. Buyer's failure to deliver a signed notice of cancellation within the specified time period shall conclusively be
56. deemed Buyer's election to proceed with the transaction subject to the other contingencies set forth herein and in the Contract. Should
57. Buyer elect to proceed with the transaction and pay the credit score fee to Lessor in exchange for Assumption Approval, the fee shall
58. be paid by Buyer at the time payment is required and shall be non-refundable.

59. **Solar Tax Credit Loan Balance Reduction:** Seller shall be responsible for paying any required reduction in loan balance as it relates
60. to eligible solar tax credits that may be necessary for Buyer to assume the Solar System loan.

61. If lines 24 - 60 apply: BUYER'S AND SELLER'S INITIALS REQUIRED

DRAFT

 /

DRAFT

BUYER

BUYER

SELLER

SELLER

62. **3. Additional Terms and Conditions**

63. THE FOLLOWING TERMS APPLY TO EITHER SECTION AGREED TO ABOVE:

64. **Transfer Fees:** Any mandatory fees or warranty transfer fees charged by Lessor, utility, or other third party associated with Buyer's
65. assumption of the Solar System lease/loan and/or the transfer of the Solar System to Buyer, including, but not limited to, document
66. processing fees, shall be paid by: ☐ Buyer ☐ Seller ☐ Other _____ at the time payment is required and
67. is non-refundable.

68. **BUYER:** Any change in the current rate plan made by Buyer may result in increased rates or a plan that is less favorable to Buyer,
69. including, but not limited to, the loss of net metering billing status. If electric utilities are not on at the time of Contract Acceptance
70. or anytime thereafter, Buyer should investigate whether the current Solar System rate plan will change as a result. Buyer should
71. ensure that electric utilities are transferred into their name on the day of Close of Escrow. Failure to do so may result in increased
72. rates or a plan that is less favorable to Buyer, including, but not limited to, the loss of net metering billing status.

73.

BUYER'S INITIALS REQUIRED

DRAFT

BUYER

BUYER

74. **SELLER:** If electric utilities are on at the time of Contract Acceptance, Seller shall ensure they remain on through Close of Escrow.
75. Should Seller turn off electric utilities or change the existing rate plan at any time between the date of Contract Acceptance and
76. Close of Escrow and doing so results in increased rates or a plan that is less favorable to Buyer, including, but not limited to, the
77. loss of net metering billing status, it shall be deemed a change in the Premises under Section 4f of the Contract.

78.

SELLER'S INITIALS REQUIRED

DRAFT

SELLER

SELLER