



Residential Purchase Agreement (“Agreement”)

For Solar Photovoltaic System Installation under NYSERDA Incentive Program PON 2112

Eligible Installer - “Installer” or “Monolith Solar”

Monolith Solar Associates, LLC

Mark Fobare Installer #4362

16 Corporate Woods Blvd., Suite 1

Albany, NY 12211

(518) 444-2044

info@monolithsolar.com

Project Agency - “NYSERDA”

New York State Energy Research and Development Authority

17 Columbia Circle

Albany, NY 12203-6399

518-862-1090

Customer Number:

Customer Phone Number:

Customer/ Homeowner: “Customer”

Customer Email:

Utility Company:

Site Installation Address: “Site”

Utility Account Number:

Referred By:

Utility Meter Number:

Sales Consultant:

County:



Purchase Agreement: Under this Agreement *Monolith Solar* will provide a turnkey Photovoltaic system (PV System) installation. *Monolith Solar* will provide all required permits, materials, tools, labor, equipment, training, support, and technical services required under the Scope of Work (i) to install the PV System for Customer; (ii) to interconnect to the utility grid and (iii) commission the PV System for use under *NYSERDA Incentive Program PON 2112*.

Watt Net Metered, Grid Tied,
Mount Solar Electric System.

Major Components

System Costs:

TOTAL SYSTEM COST (estimated):

Less NYSERDA PV Incentive (estimated)

Total Amount Due

County Sales Tax

IF APPLICABLE

Federal Tax Credit, 30% - IF ELIGIBLE

Residential NYS Tax Credit, 25% (\$5,000 cap) - IF ELIGIBLE

Total Tax Credits*

Customer is solely responsible for filing his/her taxes and any documentation necessary to receive any and all tax credits. Please consult a tax professional to determine eligibility for tax credits.

The Total Tax Credit amount may be taken out as a loan with a Monolith Solar recommended loan provider. The proceeds from the loan will go directly to Monolith Solar and the Customer is fully responsible for repayment of the loan to the loan provider. Loan terms will vary based on credit score.

TOTAL NET COST(estimated):

Deposit (Due with Signed Agreement)

Amount Due at Install**

After signing the Agreement, *Monolith Solar* shall conduct a site survey to assess the suitability of the Site for the PV System and shall act diligently in conducting such assessment. The assessment shall include the right to inspect the physical condition of the structures on which the PV System will be located; to apply for any building permits or other governmental authorizations necessary for the construction of the PV System; to arrange interconnections with the local Electric Utility; to make any applications to the appropriate Public Service



Commission or other agencies for receipt of payments for the PV System under the applicable Solar Program; to apply to any other governmental agencies or other persons for grants or other determinations necessary for the construction of or receipt of revenues from the PV System; or to make any other investigation or determination necessary for the financing, construction, operation or maintenance of the PV System.

Monolith Solar and Customer agree that: (i) the Costs, Taxes and Incentives and System Details (modules, mounting types) listed above are subject to adjustment upward and downward as a result of the assessment.

Such adjustment shall be reflected in a written amendment to the Agreement signed by Monolith Solar and Customer.

Referral Program: For every installed PV System that the Customer refers, Monolith Solar will pay a \$500.00 Referral Fee as provided in Article 16 of the Agreement.

Estimated Annual Usage and Production:

Annual Electric Usage: kWh/per year
Estimated Production: kWh/per year

Customer Initial_____

Manager Initial_____



Terms and Conditions

1. Terms of NYSERDA PV Incentive:

The PV System will include an AC kilowatt meter located near the inverter to read total energy output from the solar array.

The Customer acknowledges that the amount of the expected NYSERDA PV Incentive (the "Incentive") has been deducted from the TOTAL SYSTEM COST of the PV System as provided on page 2 of the Agreement as a means of reducing the initial cash outlay by the Customer. If the Incentives are rejected or diminished due to Customer's breach of this Agreement, the Customer shall pay Monolith Solar the total amount of the Incentive not paid by NYSERDA within thirty (30) days of receipt of notice from MonolithSolar.

The Customer agrees to sign all NYSERDA Incentive forms in a timely manner.

The Customer agrees that all NYSERDA Incentive payments will be paid directly to Monolith Solar in order to reimburse them for the deduction of said Incentives from the total cost of the PV System.

The Customer agrees that if tree trimming or cutting which is recommended by Monolith Solar is not performed by Customer, it will likely reduce the performance of the PV System. Such failure may also cause a decrease in the amount of Incentive. In such a case, the Customer shall pay Monolith Solar the total amount of the decrease in Incentive within thirty (30) days of receipt of notice from Monolith Solar.

2. WORK OF THIS CONTRACT:

Monolith Solar shall fully execute the Work as detailed in this Agreement. Monolith Solar shall supply all materials, labor, tools, equipment and installation services as required to complete the Scope of Work. See Scope of Work in Exhibit A.

Dig Safely New York is required to mark out underground facilities of public utilities before Monolith Solar penetrates the ground. Monolith Solar is not responsible for any private electrical lines, or facilities that are damaged during installation of ground mount posts, top of pole posts, or any underground wiring and conduit.

3. DATE OF COMMENCEMENT:

Work shall typically commence within forty-five (45) days from Monolith Solar's receipt of NYSERDA written approval of the Incentive application.

Any schedules or dates for performance of Monolith Solar's Scope of Work are estimates only. Monolith Solar makes no schedule guarantees and time is not of the essence.

4. CARE OF EQUIPMENT AND MATERIALS, TITLE & RISK OF LOSS:



Monolith Solar shall use its commercially reasonable efforts to care for the equipment and materials delivered to the Site for the PV System. Any equipment or materials damaged by Monolith Solar during installation shall, at Monolith Solar's option, be repaired or replaced during installation.

Upon delivery of equipment and materials to the Site, Customer shall have arranged for adequate insurance to cover the PV System.

Title to the PV System will pass to Customer when the PV System is delivered to the Site.

Risk of loss of the PV System will pass to Customer when installation of the PV System is completed at the Site.

Customer shall provide an internet connection or equipment by means of which Monolith Solar will communicate data from the solar monitoring system. Customer must have a Cat5 Ethernet cable from the location of the Customer's internet source to the location of the solar monitoring device. If the assessment indicates that Customer does not have an internet source or cannot connect using a Cat5 Ethernet cable, the price of installing a communication device equipped with an internet source will be added to the final purchase price of the PV System.

5. PAYMENT AND NYSERDA'S RIGHT TO MAKE INSPECTION VISITS:

A. Monolith Payment Terms. Payment under this Agreement shall be in the amounts set forth on Page 2 of this Agreement.

1. Customers may enroll in monthly ACH automatic payments with Monolith Solar.
2. For Customers not enrolled in automatic payments, payments are due and payable thirty (30) days from receipt of invoice and payment will include a \$8.00 administration fee.
3. Any undisputed portion of the invoice amount not paid within the thirty (30) day period shall accrue interest at the rate of one and one-half percent (1.5%) per month, not to exceed the maximum interest rate allowable by law.
4. Payment may be made by: (i) credit card (subject to a 3% credit card charge); (ii) check (subject to \$35 returned check fee); or (iii) money order.

B. Tax Credit Financing Terms. Customer agrees to sign appropriate loan documentation when requested by loan provider. **Customer is responsible for repayment of tax credit financing back to the loan provider. Customer is responsible for filing his/her taxes and any documentation necessary to receive the tax credits. Please contact your tax professional to determine tax credit eligibility.**

C. Automatic Payment Withdrawal. If an automatic payment withdrawal is attempted by Monolith Solar but there are insufficient funds to cover the transaction, the Customer will be contacted by Monolith Solar. Should this occur, the Customer will be charged a \$15.00 fee. The



Customer must authorize Monolith Solar to reattempt the withdrawal or submit the amount due by: (i) credit card (subject to 3% credit card charge); (ii) check; or (iii) money order within one week of the scheduled payment date.

D. Payment Default and Payment Acceleration. Any delinquent payment that remains unpaid for sixty (60) days may be sent to collections and shall be considered a Customer default.

E. Termination and Refund of Deposit.

Customer has the unrestricted right to rescind this Agreement without penalty or further obligation by calling the toll-free number provided in Article 22 within the (3) business days of receipt of the Agreement.

Customer also has the right to terminate this Agreement for their convenience at any time prior to the commencement of installation of the PV System. Customer shall exercise such right to terminate for convenience by providing three (3) days prior written notice to Monolith Solar. If such termination for convenience occurs within the first thirty (30) days after full execution of this Agreement, Customer shall be charged a termination fee of \$250.00 as Monolith Solar's sole remedy for such termination. After thirty (30) days from the full execution of this Agreement, the Customer shall not be entitled to any deposit refund. In the event of such termination for convenience, Monolith Solar shall also be compensated for the percentage of work completed and for its reimbursable expenses, if any.

F. NYSERDA, Tax Credits, Inspections. 100% of NYSERDA Incentives will be credited to the benefit of the Customer. The Customer and Monolith Solar recognize that NYSERDA will not make any payments without proof that all required permits and approvals have or will have been obtained by the time of ordering of equipment and that all other NYSERDA requirements have been met. Customer agrees to sign appropriate documentation when requested by NYSERDA.

G. NYSERDA Inspections. Customer agrees that NYSERDA shall have the right to make a reasonable number of site visits to the Site during and after the installation of the PV System. Any visits will be at a time convenient to the Customer and made with advance notice to the Customer by NYSERDA. Monolith Solar and Customer will receive copies of written reports from NYSERDA summarizing the results of the inspections.

H. Taxes. Customer shall either pay or reimburse Monolith Solar for any and all taxes assessed on the generation, sale, delivery or consumption of electricity produced by the PV System or the interconnection of the PV System to the Utility's electric distribution system ("Taxes"). For purposes of this Section, Taxes means any federal, state and local ad valorem, property, occupation, generation, privilege, sales, use, consumption, excise, transaction, and other taxes, regulatory fees, surcharges or other similar charges. "Taxes" does not include any income or similar taxes imposed on revenues earned by Monolith Solar from the sale of the PV System under this Agreement, which will be Monolith Solar's responsibility.

I. Suspension. Should Customer fail to fulfill any of the payment terms in this Agreement, Monolith Solar may suspend work or performance under the Agreement and any cost incurred by Monolith Solar in accordance with such suspension shall be added to the Agreement price.



Performance of Monolith Solar's obligations shall be extended for a period equaling the period of Customer's nonfulfillment of any portion of the payment terms, whether or not Monolith Solar suspends performance.

6. SECURITY INTEREST:

Customer agrees that the PV System is not a fixture and that Monolith Solar has the right to file any financing statement or other filing that confirms its interest in the PV System while a balance is outstanding. Customer hereby waives all rights to grant a security interest in the PV System.

Monolith Solar may submit negative credit reports to credit reporting agencies or credit bureaus which would be reflected on Customer's credit record if Customer does not pay any amounts due under this Agreement as required.

7. INSURANCE:

A. Monolith Solar shall maintain General Liability coverage of one million dollars (\$1,000,000) for each occurrence and two million dollars (\$2,000,000) in the aggregate, Umbrella Liability coverage of five million dollars (\$5,000,000), and worker's compensation insurance throughout the installation.

B. Upon delivery of equipment and materials to the Site, Customer shall maintain adequate insurance to cover the PV System.

8. TERMINATION FOR DEFAULT:

A. Monolith Solar Default. Monolith Solar shall be in default of this Agreement if the following ("Monolith Solar Events of Default") shall occur: (i) Monolith Solar fails to perform any material obligation hereunder, such failure is material, such failure is not excused by Excusable Delay Events or other provisions of the Agreement, and Monolith Solar fails to commence a cure of the default within a commercially reasonable period of time and diligently proceed with the cure until completion. Upon an Event of Default by Monolith Solar, Customer may pursue remedies available at law or in equity.

B. Customer Default. Customer shall be in default of this Agreement if any of the following ("Customer Events of Default") shall occur: (i) Customer obstructs commencement of installation of the Project or fails to take any actions necessary for the interconnection of the Project; (ii) Customer fails to make any payment due under the terms of this Agreement, and fails to make such payment within sixty (60) days after receipt of notice thereof from Monolith Solar or (iii) Customer fails to perform any material obligation hereunder, such failure is material, such failure is not excused by Excusable Delay Events or other provisions of the Agreement, and such failure is not cured within: (A) ten (10) days if the failure involves a failure to maintain required insurance or (B) sixty (60) days if the failure involves an obligation other than payment or the maintenance of insurance, after receipt of notice from Monolith Solar identifying the failure. Upon an Event of Default by Customer, Monolith Solar may pursue remedies available at law or in equity.



9. WARRANTY:

A. General Warranty. Monolith Solar warrants to Customer that PV System shall be free from defects in material, workmanship and title; and that services shall be performed in a competent, diligent manner. If any failure to meet this warranty appears within ten (10) years from the date of completion of installation of the PV System, Monolith Solar will, at its sole cost, correct the failure by reperforming any defective service and either repairing or replacing (at its option) any defective equipment or materials furnished for the PV System and any damage to the PV System caused by the defect. The warranties and remedies set forth herein are conditioned upon proper storage, installation, use, maintenance and conformance with applicable recommendations of Monolith Solar. Monolith Solar may rely upon warranties provided by the vendors and manufacturers and other contractors. Customer shall fully cooperate to assist the Monolith Solar in making claims under applicable warranties.

B. Roof Penetration Warranty: Monolith Solar warrants to Customer that if its installation of the PV System penetrates Customer's roof during the installation period, that no roof damage will result from such penetration within a six (6) inch radius of such penetration. Penetrations required by the installation of PV System as detailed in the Specifications shall not be considered roof damage. This "Roof Penetration Warranty" will commence on the date of completion of installation of the PV System and will expire five (5) years later (Roof Penetration Warranty Period"). If any failure to meet this roof penetration warranty appears during the Roof Penetration Warranty Period, Monolith Solar will, at its sole cost, correct the failure by either repairing or replacing (at its option) the roof damage.

C. Monolith Solar does not warrant the PV System against normal wear and tear or if the PV System and its components have been modified, damaged, altered, defaced, or repaired by anyone but the Monolith Solar. The warranty is also conditioned upon prompt written notice of defect, proper storage, installation, use, maintenance, and conformance with applicable recommendations of Monolith Solar.

D. The foregoing shall constitute the sole and exclusive remedy for all claims based on failure of, or defect in, goods or services sold hereunder, whether the failure or defect arises before or during the applicable Warranty Period, and whether a claim, however instituted, is based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise. The foregoing warranty is exclusive and is in lieu of all other warranties whether written, oral, implied or statutory. AS TO ALL GOODS SOLD, NO IMPLIED STATUTORY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR PARTICULAR PURPOSE SHALL APPLY. Upon the expiration of the applicable Warranty Period, all such liability shall terminate.

10. ESTIMATED PRODUCTION:

The estimated production for the first year of operation set forth on Page 2 of the Agreement may vary up to +/-20% in kWh and is based on various items including, but not limited to, weather, the system size, engineering design, and system loss factors.

The estimated production is not a guarantee of kWh produced by the System. This Agreement



does not contain any guarantees of: (a) a minimum level of performance or production of energy or (b) savings.

11. SYSTEM REMOVAL AND REINSTALLATION:

Upon written request, Monolith Solar will remove and reinstall the PV System at Customer's sole expense should the Customer need to perform a roof upgrade or address another roof concern. All existing warranties as detailed in Article 9 will not be affected and will apply if the removal or reinstallation is performed by Monolith Solar. If the Customer or representative of the Customer removes or reinstalls the PV System, all warranties as detailed in Article 9 shall be null and void.

12. NYSERDA AND NYSEXCLUSION:

Neither NYSERDA nor the State of New York: (1) endorse any eligible installer; or (2) guaranty, warranty, or in any way represent or assume liability for any Work proposed or carried out by Monolith Solar. Additionally, NYSERDA is not responsible for assuring that the design, engineering and construction of the project or installation of any PV System is proper or complies with any particular laws, regulations, codes, licensing, certification and permit requirements, or industry standards. NYSERDA does not make any representations of any kind regarding the results to be achieved by the PV system or the adequacy of such measures.

13. REFERRALS:

For each referral made by Customer which results in a signed contract and completion of installation by Monolith Solar, the Customer will receive a \$500 referral fee. The referral fee structure is subject to change at Monolith Solar's sole discretion. Notwithstanding the foregoing, Solarize and other community or bulk purchase discount program Customers are not eligible to receive a referral fee, unless referring a Customer that is not a part of a community or bulk purchase discount program.

14. GOVERNING LAW/JURISDICTION/VENUE:

This Agreement shall be interpreted and construed according to the laws of the State of New York, without regard to the principles of conflicts of laws thereof. The Parties acknowledge and agree that a court of competent jurisdiction located in Albany County, New York shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement

15. SAFETY:

Monolith Solar shall operate in a manner consistent with applicable safety laws, rules and regulations.

16. CustomerDISCLOSURE: For a summary of the terms contained in this Agreement, please see the Customer Disclosure Statement in Exhibit C.

17. RESCINDING AGREEMENT WITHOUT PENALTY. Customer has the unrestricted right to rescind this Agreement without penalty or further obligation by calling the toll-free number provided in Article 22 the (3) business days of receipt of the Agreement.

18. DATA SHARING AND PRIVACY POLICY.

A. Customer and/or the Utility may provide Monolith Solar with Customer's electrical consumption history and other information, including, but not limited to, the following:

1. Your service address;
2. Your electric Utility account number;
3. Sales tax district used by the distribution Utility and whether the Utility identifies you as tax exempt;
4. Rate service class and subclass or rider by account and by meter, where applicable;
5. Electric load profile reference category or code, if not based on service class, whether your account is settled with the NYISO utilizing an actual 'hourly' or a 'class shape' methodology, or Installed Capacity (ICAP) tag, which indicates your peak electricity demand;
6. Your number of meters and meter numbers;
7. Whether you receive any special delivery or commodity "first through the meter" incentives, or incentives from the New York Power Authority;
8. Your Standard Industrial Classification (SIC) code (if applicable);
9. Your usage type (e.g., kWh), reporting period, and type of consumption (actual, estimated, or billed);
10. Whether your commodity service is currently provided by the utility;
11. Twelve (12) months, or the life of the account, whichever is less, of your data and, upon separate request by us, an additional twelve (12) months, or the life of the account, whichever is less, of your data, and, where applicable, demand information; if you have more than one meter associated with an account, the utility shall provide the applicable information, if available, for each meter; and
12. Electronic interval data in summary form (billing determinants aggregated in the rating periods under a distribution utility's tariffs), and if requested in detail, an acceptable alternative format.

B. Privacy Policy. Monolith Solar has privacy and security policies and processes in place that are designed to keep your data confidential and secure. A summary of those policies and processes is attached as Exhibit D.

C. Authorization to Release Utility Data. A form for authorizing Monolith Solar to receive your utility consumption and other data listed in Section 19(A) above is attached as Exhibit E.

19. PERMITS AND APPROVALS. Monolith Solar will use commercially reasonable efforts to obtain, at its sole cost and expense any zoning, land use and building permits required to construct, install and operate the PV System and any agreements and approvals from the local electric utility necessary in order to interconnect the PV System to the Utility's electric distribution system. Customer agrees to provide reasonable assistance to Monolith Solar in obtaining such agreements, permits and approvals.

20. LIMITATION OF LIABILITY.



a. To the maximum extent permitted by law, Monolith Solar's liability on all claims of any kind, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, for all losses or damages arising out of, connected with, or resulting from the Agreement or from the performance or breach thereof shall in no case exceed the amount Customer has paid to Monolith Solar under this Agreement.

B. TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT, WHETHER BASED ON CONTRACT, INDEMNITY, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, SHALL EITHER PARTY, THEIR EMPLOYEES AND CONTRACTORS BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF ANY PROPERTY, COST OF CAPITAL, COST OF PURCHASED POWER, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF CUSTOMERS OF THE CUSTOMER FOR SUCH DAMAGES.

21. DISPUTE RESOLUTION.

Either Party may contact the New York Public Service Commission ("PSC") at any time regarding any disputes relating to this Agreement. A complaint or question may be filed with the PSC by telephone, letter, electronically, or in person at the PSC's offices in New York City, Albany or Buffalo.

If either to party this Agreement provides the other party written notice of a dispute that has arisen relating to this Agreement, then the parties agree to negotiate in good faith and attempt to resolve such dispute within 30 days after the date such notice is delivered. If the dispute remains unresolved thirty (30) days after the written notice is delivered, the parties may mutually agree to arbitration in Albany County, New York. Such arbitration shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association in effect on the date that a Party gives notice of its demand for arbitration, and judgment on any award may be entered in any court of competent jurisdiction. If the parties agree, a mediator may be consulted prior to arbitration. The prevailing party in any dispute arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs.

If the dispute, disagreement, or claim is directed to INSERT CUSTOMER UTILITY COMPANY, Customer shall call Monolith Solar at (518-444-2044 LOCAL OR 1-855-MONOSUN TOLL FREE). A dispute, disagreement, or claim may be submitted to the New York State Department of Public Service by visiting their website at www.dps.state.ny.us, by calling 1 (800) 342-3377, or by writing to the following address: New York State Department of Public Service, Office of Consumer Services, Three Empire State Plaza, Albany, New York 12223.

QUESTIONS ABOUT BILLINGS OR OTHER INQUIRIES?
CALL (1-518-444-2044 LOCAL OR 1-855-858-6020 TOLL FREE)
OUR SUBSCRIBER SERVICE CENTER IS OPEN MONDAY THROUGH FRIDAY EXCEPT HOLIDAYS
(starting no earlier than 7 AM EST and open for at least 8 hours)



22. YOUR RIGHTS UNDER THE NEW YORK HOME ENERGY FAIR PRACTICES ACT (HEFPA).

HEFPA Rights. The Customer is entitled to protections pursuant to the Home Energy Fair Practices Act, Part 11 of Chapter 16 of the Rules and Regulations of the State of New York ("HEFPA"), which covers but is not limited to third party notification rights; a prohibition against security deposits in certain circumstances; limitations on estimated billing; limitations on back billing; and limitations on late charges. More information about Customer's HEFPA protections are available online at <http://www.dps.ny.gov> . An annual notification of Customer's rights under HEFPA will also be provided to Customer by CUSTOMER UTILITY COMPANY. If subsequent changes in applicable law require Monolith Solar to provide additional information about Customer's HEFPA rights, Monolith Solar shall provide Customer with such additional information within a reasonable time and in accordance with the provisions of HEFPA Section 18(a)(i).



23. FORCE MAJEURE.

A. Monolith Solar shall not be liable for delay due to: causes beyond its reasonable control, or acts of God, acts of the Customer, prerequisite work by others, acts of civil or military authority, government priorities, fires, strikes or other labor disturbances, floods, epidemics, war, riot, delays in transportation or car shortages; unavailability of electricity from the utility grid, or inability to obtain or delay in obtaining, due to causes beyond its reasonable control, suitable labor, materials, or facilities ("Force Majeure"). In the event of any such delay, the time of performance shall be extended for a period equal to the time lost by reason of the delay.

B. Extended Force Majeure. If Force Majeure continues for a consecutive period of one hundred eighty (180) days or more within a twelve (12) month period, then either Party may terminate this Agreement without either Party having further liability under this Agreement except liabilities accrued prior to termination.

24. COMPLIANCE WITH LAW.

A. The PV System to be furnished and the Work to be performed hereunder shall comply with all applicable federal, state, and local laws, rules, and regulations except to the extent that they pertain to conditions wholly or partly within the control of Customer or except as specifically otherwise provided in this Article. In the event there is a Change in Law after the Effective Date that is applicable to the Work or the PV System or Project or any other obligation of Monolith Solar hereunder, and compliance with the Change in Law results in an increase in Monolith Solar's costs to perform its Work or complete the PV System or Project or in a delay in performance of Monolith Solar's obligations or otherwise affects Monolith Solar's ability to perform any of its other obligations, Monolith Solar will promptly submit to Customer a written notice setting forth (i) the applicable Change in Law; (ii) the manner in which such Change in Law increases Monolith Solar's costs or delays performance of Monolith Solar's obligations or otherwise affects Monolith Solar's ability to perform any of its other obligations; and (iii) Monolith Solar's proposed adjustment to the Agreement to reflect such Change in Law. If Monolith Solar determines that such adjustment is not feasible, Monolith Solar will so notify Customer and Monolith Solar may terminate this Agreement for its convenience.

"Change in Law" shall mean any change in the law, regulations, tax credits, the Incentives, the Program, the utility credits or any change in laws, rules, regulations, requirements, decisions and/or guidance associated with the same.

B. Each party shall comply with all applicable federal, state, and local laws, rules, and regulations that relate to this Agreement in all material respects.

25. CHANGES.

Customer may, by written Change Order, make mutually agreed-to changes to the PV System.



If any such change results in an increase or decrease in the cost or time required for the performance of the Work under this Agreement, there shall be an equitable adjustment to the agreement price and schedule. Monolith Solar shall not be obliged to proceed with the changed or extra work until the price of such change and its effect on the schedule of the have been agreed upon and effected by Change Order.

26. PATENTS.

Monolith Solar warrants that the PV System sold hereunder, and any part thereof, shall be delivered free of any rightful claim of any third party for infringement of any United States patent. If promptly notified in writing and given authority, information and assistance, Monolith Solar shall defend, or may settle, at its expense, any suit or proceeding against the Customer based on a claimed infringement which would result in a breach of this warranty, and Monolith Solar shall pay all damages and costs awarded therein against the Customer due to such breach.

27. CONFIDENTIALITY.

Monolith Solar and the Customer agree to keep secret and not disclose any information or data related to this Agreement, the Work, the Site, the PV System or the Services, except upon consent of the other party, disclosure to governmental agencies as required by law, or as reasonably necessary to perform obligations under this Agreement including, but not limited to, disclosure to Customer's agents, representatives, or assigns. Such information includes matters that Customer for itself conceived or developed as well as matters learned from the other parties in the process of participating in the Project. Customer shall not reveal, or disclose, sell, use, lecture upon, or publish any such information, or authorize anyone else to do so at any time either during or subsequent to the Term without the written consent of Installer. The provisions of this Section shall survive the expiration of the Term or earlier termination of this Agreement. THIS CONFIDENTIALITY REQUIREMENT SHALL NOT APPLY TO ANY MARKETING, ADVERTISING OR OTHER INFORMATION THAT IS IN THE PUBLIC DOMAIN THROUGH NO BREACH OF THIS AGREEMENT OR IS USED BY CUSTOMER FOR THE PURPOSE OF REFERRING NEW PV SYSTEM CUSTOMERS TO INSTALLER.

28. NOTICES.

All notices and other communications to a party under this Agreement must be in writing, delivered to the mailing address for such party stated above, and will be deemed delivered upon the earlier of: (a) three (3) business days after being deposited in certified or registered mail, return receipt requested, postage prepaid, (b) the following business day after being delivered by a commercial overnight courier service, or (c) if sent via regular mail, on the date of actual delivery.

29. SUCCESSORS AND ASSIGNS.

The Parties bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party with respect to all covenants of this Agreement. Monolith Solar may subcontract, assign, sell or transfer the, or any part of this Agreement, without Customer's consent.



Such subcontract or assignment will not change Monolith Solar's obligations or Customer's rights and obligations under this Agreement. Customer may not assign or transfer any interest in this Agreement without prior written consent of the Monolith Solar.

30. MEDIA RELEASE.

Customer authorizes Monolith Solar to publish photographs, video, or audio taken before, during or after the installation of the PV system, for use in Monolith Solar's printed publications and website(s). Customer acknowledges that participation in publications and websites produced by Monolith Solar is voluntary and they will receive no financial compensation. Customer further agrees that participation in any publication and website produced by Monolith Solar confers no rights of ownership. Customer hereby releases Monolith Solar, its contractors and its employees from liability for any claims in connection with this participation.

31. SELLING YOUR HOME:

Should Customer decide to sell your home before completely paying off your system, Customer must pre-pay a one-time payment equal to all remaining payments under the Agreement as well as sign a Transfer Agreement to transfer the rights under this Agreement to the new homeowner.

32. NYSERDA TERMS:

Monolith Solar agrees to be bound by the terms of the NYSERDA Standard Terms and Conditions PON 2112 to the extent that it is applicable to this Agreement. By executing this Agreement, Customer and Monolith Solar consent to its terms and acknowledge that Monolith Solar is working as an independent agent and is not an employee of the Customer or eligible for the benefits thereof.

33. MONOLITH SOLAR IS NOT A UTILITY. Neither Party shall assert that Monolith Solar is an electric utility, public service company or electric corporation as defined in New York Public Service Law § 2, or any similar entity that has a duty to provide service, is subject to rate regulation as a result of Monolith Solar's obligations or performance under this Agreement.

34. ENTIRE AGREEMENT:

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous proposals, whether oral or written, and all other communications between the parties. Except as otherwise provided herein, this Agreement shall not be amended, assigned or terminated except by an instrument in writing signed by each party.



EXHIBIT A

SCOPE OF WORK

CUSTOMER OBLIGATIONS

Project details outside of direct PV installation (i.e. tree removal, roof replacement, site work, etc.)

MONOLITH OBLIGATIONS

Project details outside of direct PV installation (i.e. tree removal, roof replacement, site work, etc.)
Subcontractor: SAE Sun and Earth Energy Inc., 444 Washington Street, Rensselaer, NY 12144

Customer

Monolith Solar

Signature

Signature

Name (Print)

Name (Print)

DATE

DATE



EXHIBIT B

ADDENDUM TO PURCHASE AGREEMENT – THIRD PARTY LOANS AND ELIGIBILITY FOR TAX CREDITS

THIRD-PARTY LOANS

1. Customer understands that he/she may obtain a third-party loan in order to assist in paying the balance of the PV System.
2. Such loan is taken out by the Customer and not by Monolith Solar.
3. Proceeds of the loan will be paid directly to Monolith Solar but Monolith Solar is not responsible for making any payments to any third-party loan provider on behalf of the Customer without an agreement in writing signed by Monolith Solar and Customer.

ELIGIBILITY FOR TAX CREDITS

As stated in the Purchase Agreement, the Customer may be eligible for certain tax credits provided both by the Federal government and/or New York State. Such tax credits listed in the Agreement are an estimate based on the cost of the PV System. Customer's eligibility for tax credits may be affected by Customer's amount of taxable income and other factors that may affect Customer's tax liability.

Customer is responsible for filing his/her taxes including any other documentation necessary to receive tax credits and is responsible for repaying any third-party loan. Customer is responsible for paying the tax credit portion of the System Cost regardless of what amount Customer may or may not receive in tax credits.

Monolith Solar does not provide tax advice. Customer should contact his/her tax professional to determine eligibility for tax credits.

By my signature, I acknowledge that I have completely read, fully understand, and agree with the above detailed information.

Customer

Signature

Name (Print)

DATE



EXHIBIT C

MONOLITH SOLAR RESIDENTIAL PURCHASE DISCLOSURE FORM (ON-SITE)



EXHIBIT D:

Monolith Solar Associates LLC Data Privacy

Monolith Solar has the following security policies:

1. Security Awareness Policy. This policy outlines how the company will periodically update and train staff on security.
2. Computer and Internet Usage Policy. This addresses employee Acceptable Use provisions.
3. Remote Access Policy. This policy addresses hardware and software used to connect to the company network remotely via VPN.
4. Firewall Policy.
5. Patch Management Policy.
6. IT Access Control Policy. This policy deals with how employees are granted access to resources (shared directories, applications, etc.), how access is maintained and revoked.
7. Physical Security Policy. This policy addresses security in the physical environment (doors, sensitive paperwork, etc.),
8. Incident Response Plan. This policy addresses what to do when the company has experienced a security breach.



Exhibit E:

Authorization Form for Release of Utility Data

I, _____, having account # _____, hereby grant unlimited authority to **Monolith Solar Associates LLC** to act as my Agent with regards to actions and correspondence related to the Utility. I further authorize you to release to **Monolith Solar Associates LLC** any account information requested as well as act as an agent for my satellite accounts. **Monolith Solar Associates LLC** is granted full power to act on my behalf in the same manner as if I were personally present.

In order for Monolith Solar to sell the Solar Credits to you, you and/or the Utility must provide us your electrical consumption history and other information, including, but not limited to, the following:

1. Your service address;
2. Your electric Utility account number;
3. Sales tax district used by the distribution Utility and whether the Utility identifies you as tax exempt;
4. Rate service class and subclass or rider by account and by meter, where applicable;
5. Electric load profile reference category or code, if not based on service class, whether your account is settled with the NYISO utilizing an actual 'hourly' or a 'class shape' methodology, or Installed Capacity (ICAP) tag, which indicates your peak electricity demand;
6. Your number of meters and meter numbers;
7. Whether you receive any special delivery or commodity "first through the meter" incentives, or incentives from the New York Power Authority;
8. Your Standard Industrial Classification (SIC) code (if applicable);
9. Your usage type (e.g., kWh), reporting period, and type of consumption (actual, estimated, or billed);
10. Whether your commodity service is currently provided by the utility;
11. Twelve (12) months, or the life of the account, whichever is less, of your data and, upon separate request by us, an additional twelve (12) months, or the life of the account, whichever is less, of your data, and, where applicable, demand information; if you have more than one meter associated with an account, the utility shall provide the applicable information, if available, for each meter; and
12. Electronic interval data in summary form (billing determinants aggregated in the rating periods under a distribution utility's tariffs), and if requested in detail, an acceptable alternative format.

All information obtained will be kept private and confidential and used by Monolith Solar only for utility and billing purposes.

Monolith Solar is implementing privacy and security policies and processes that are designed to



keep your data confidential and secure.

This authorization will be valid for the Term of the Agreement.

ADDENDUM TO CUSTOMER AGREEMENT

NY-Sun Incentive Program



Please check appropriate box below.

This Agreement is related to a PV project receiving incentive funding under the NY-Sun Residential and Small Commercial Incentive Program

This Agreement is related to a PV project receiving incentive funding under the NY-Sun Commercial and Industrial Incentive Program

All Participating Contractors must incorporate this Addendum into the agreement between the Contractor and Customer (Agreement) for each PV project receiving incentives.

The following terms will apply to all NY-Sun supported PV projects under the Residential and Small Commercial Program or Commercial and Industrial Program:

Attorney Consultation: The Agreement to which this Addendum is attached and made part is a legally binding document; you may wish to consult with an attorney before signing.

Conflicting Terms: In the event of a conflict between the terms in any other contractual instrument between the Contractor and Customer and the terms of this Addendum, the terms of this Addendum shall control.

Assumption of Responsibilities: Should the Contractor or owner of the PV System sell or transfer ownership of the PV System during the term of the Agreement, the Contractor/owner agrees that it will alert Customer in advance of such transfer or sale, and that, during the duration of the term of the Agreement, either: (1) the Contractor will remain responsible to the Customer for all obligations and responsibilities stated herein, or (2) under the agreement of sale the buyer will assume all responsibilities to Customer stated herein, if applicable.

Incentives: The Contractor is required to disclose the full amount of the NYSERDA incentive to the end-use customer.

Inspection/Reporting/Commissioning: For quality control purposes, all parties including the Customers must provide NYSERDA or its representative with reasonable access to the PV System in order to conduct site inspections or remote monitoring services. Final incentive payment may be contingent on NYSERDA inspection of the installed PV System.

Publicity and Site Events: Customers and Contractors are required to collaborate with NYSERDA's Director of Communications should they prepare any press release or plan any news conference related to the PV System. NYSERDA is authorized to use PV System photographs in brochures, on its website, and in other print materials.

Tax Incentives: Customers are encouraged to consult the Internal Revenue Service (See www.irs.gov), the NYS Department of Taxation and Finance (See www.tax.ny.gov) and with an accountant/tax adviser for details on eligibility for the credit provided in the law, regardless of whether the Builder/Contractor has provided information regarding the expected tax benefits (real property, federal or state tax incentives, or sales and use tax exemptions).

ADDENDUM TO CUSTOMER AGREEMENT

NY-Sun Incentive Program



Net Metering: Customers are encouraged to consult with their local utility regarding eligibility for net metering.

Consumer Information: New York consumers and customers are encouraged to consult the New York State Office of the Attorney General web site for consumer information: http://www.ag.ny.gov/bureaus/consumer_frauds/tips/home_improvements.html

The NYS Consumer Protection Board offers additional information with the following publications: <https://www.dos.ny.gov/consumerprotection/publications.html>

Communication with Customer: Contractor and Customer agree that NYSEERDA may, at NYSEERDA's discretion, communicate by voice and/or written format with any PV System Customer with respect to any matter relevant to a proposed or installed PV System. Such communications may be in reply to an inquiry from a Customer or at NYSEERDA's initiation.

Disclaimer: The Customer understands that neither NYSEERDA nor the State of New York: (1) endorse any Contractor; or (2) guarantee, warranty, or in any way represent or assume liability for any work proposed or carried out by a Contractor or Installer. Additionally, NYSEERDA is not responsible for assuring that the design, engineering and construction of the project or installation of any solar electric generation system is proper or complies with any particular laws, regulations, codes, licensing, certification and permit requirements, or industry standards. NYSEERDA does not make any representations of any kind regarding the results to be achieved by the solar generation systems or the adequacy or safety of such measures.

The following term will apply ONLY to NY-Sun supported PV projects under the Commercial and Industrial Program:

Small Commercial Energy Assessment: For the Commercial and Industrial Program, the energy assessment is an ASHRAE level 1 walk through analysis, unless the customer is located in load zone J in which case the Contractor must submit the electric customer's Energy Star score as required under Plan NYC.

Customers will not be required to benchmark or implement energy efficiency measures as a pre-requisite for receiving a PV incentive, except as required for projects receiving the Affordable Solar residential added incentive.

ADDENDUM TO CUSTOMER AGREEMENT

NY-Sun Incentive Program



The following terms will apply ONLY to NY-Sun supported PV projects under the Residential and Small Commercial Program:

Incentives are only available for the installation of new equipment and PV Systems that have not been installed (partially or completely) prior to the *Project Application* achieving a status of "Submitted via Internet." Incentives will not be provided directly to Customers but are paid to the Contractor, who must apply the entire approved amount to the Customer's cost via a corresponding reduction in Customer's Total System Cost or total payments. The Project Invoice will be submitted by the Contractor or Builder once the system has been installed and interconnected.

Cost Estimate/Total System Price: The Customer has relied upon the Contractor to include any and all costs associated with the complete installation of the proposed PV system in the Agreement. If additional costs are sought from the Customer, the Agreement may be cancelled without penalty and the customer may seek a full refund of any deposit paid to Contractor or costs the Customer incurred under the Agreement, less any reasonable site visit fees charged by the Contractor.

Incentive Estimate: If the Contractor does not submit a completed Project Application to NYSERDA, or if the Project Application (a) is not approved by NYSERDA or (b) if NYSERDA approves a lower incentive, the Customer may terminate the Agreement without penalty and seek a full refund of any deposit paid to Contractor or costs he or she incurred under the Agreement, less any reasonable site visit fees charged by the Contractor.

Incentives: the Contractor is not permitted to collect the value of the incentive upfront and reimburse the customer upon completion of the project, or upon receipt of the NYSERDA incentive.

Review of System Design: NYSERDA may review the design of the PV System considering issues including, but not limited to, system layout, orientation, shading, expected output, etc. NYSERDA approval of the Project Application is contingent on adherence to the proposed system design. Contractors/Builders must receive approval from NYSERDA for any material modification of the proposed system or its components, or the incentive may be revoked.

Losses: All potential system output losses (after all equipment losses are applied) associated with shading, system orientation, tilt angle, etc. may not exceed 20% of optimal system output to receive the full incentive. Such losses must be detailed in each application package using industry accepted shading and orientation tools, verifiable assumptions and calculations. Systems with losses greater than 20% of optimal output due to shading and orientation issues may be considered on a case-by-case basis. However, any available incentives for these systems will be prorated by output loss. In cases where trees or any other obstruction must be removed or moved in order to meet the program rules, incentive payments will not be made until a new shading analysis and photos, verifying that the obstruction(s) have been removed are reviewed and approved by NYSERDA. Any trees or obstructions must be clearly labeled in the site map.

Warranty for Purchase Agreements: The Contractor shall offer a full/transferable warranty to the purchaser of the PV System installed under this Customer Purchase Agreement for a period of five (5) years after the Contractor has completed the installation and NYSERDA's final approval has been provided. This warranty covers all components of the system against breakdown or degradation in electrical output of more than ten percent from their original rated electrical output. This warranty covers the full cost, including labor and repair or replacement of defective components or systems. If a battery back-up is

ADDENDUM TO CUSTOMER AGREEMENT

NY-Sun Incentive Program



installed under this Agreement, the Contractor shall offer a full warranty to the purchaser for the battery system for a period of 2 years after installation. This warranty covers the battery system against breakdown and covers the full costs, including labor and repair or replacement of the battery.

Warranty for PPA/Leases: At a minimum, the Contractor shall offer a production guarantee to the Customer for the initial term of this Agreement. This production guarantee will provide the customer with compensation if the system produces less than the guaranteed output as specified in the PPA or lease agreement. Guaranteed output may not allow cumulative degradation in electrical output of more than one percent per year from the original rated electrical output for the initial term of this agreement. Under no circumstance will Customers be responsible for any labor and repair or replacement costs of defective components or systems over the initial term of this Agreement. Should the customer sell the residence at which this solar facility is located, the production guarantee is fully transferrable to a new lessee.

Green Jobs Green New York (GJGNY) Financing: Should an eligible residential customer who chooses to access GJGNY financing for their PV system project be unable to proceed with installation of the PV system, due to either the system not meeting the Program's eligibility requirements, or the customer is denied low-interest financing through GJGNY, the customer may terminate the Agreement without penalty and seek a full refund of any deposit paid to /Contractor or costs he or she incurred under the Agreement, less any reasonable site visit fees charged by the /Contractor.

PV system completion/commissioning: The Contractor agrees to complete the installation of the PV system, and request all necessary inspections, within 365 days of NYSERDA's approval of the Project Application. Unless written approval of an extension has been issued by NYSERDA, the Contractor will be required to return any and all incentive payments to NYSERDA if this milestone has not been met.

Residential Clipboard Energy Efficiency Assessment: The Contractor agrees to complete a clipboard energy efficiency assessment consisting of two main components: an interview of the home/building owners to ascertain energy use habits, and identify potential energy efficiency measures, especially low- and no-cost measures that could reduce the electricity load of the residence. The Participating Contractor shall conclude the assessment with a homeowner debriefing and provide the homeowner with a copy of the assessment report. Customers will not be required to implement the energy efficiency measures identified in the assessment as a pre-requisite to receiving the standard NY-Sun incentive.

For projects receiving the Affordable Solar additional incentive, the Contractor and the Customer are required to attest on the application that lighting and water efficiency measures are installed at the residence, meeting the requirements outlined for the Affordable Solar incentive in the NY-Sun Program Manual.

Small Commercial Energy Assessment: The Contractor will provide small commercial building owners with information on Energy Star's Portfolio Manager Benchmarking Tool or other equivalent tool and, if requested by the building owner, assist them to enter utility bill information into the Tool in order to produce an EUI (Energy use index)⁶ and, where applicable, an Energy Star score. Customers will not be required to benchmark or implement energy efficiency measures as a pre-requisite for receiving a PV incentive.

Affordable Solar Incentive - Contract Requirements: Contracts for PPA/lease projects receiving the Affordable Solar additional incentive shall not contain price escalators over the life of the agreement, and all projects receiving this incentive shall provide a cost savings to the customer over the life of the agreement, as documented by the Affordable Solar Residential Project Screening Tool included in the

ADDENDUM TO CUSTOMER AGREEMENT

NY-Sun Incentive Program



incentive application.

Contracts for PPA/lease projects participating in the TPO Pilot must reflect that the following requirements are met:

- The project is financed through a fully prepaid lease or PPA, with no outstanding financial obligation to the customer beyond the GJGNY loan.
- The project must provide annual customer cost savings of at least 50% per kWh for the lifetime of the GJGNY loan, as documented in the GJGNY pro-forma tool submitted with the incentive application.
- TPO Pilot projects must not exceed a GJGNY loan size of \$6,000.

General Business Law: If this Agreement is deemed to be a Home Improvement Contract under the NYS General Business Law §770, et seq., Customer is entitled to various notices. A description and explanation of this law can be accessed at <http://www.dec.ny.gov/lands/5341.html>. This Agreement may also be subject to the federal Consumer Leasing Act (15 USC 1667 et. seq). <http://www.federalreserve.gov/boarddocs/supmanual/cch/leasing.pdf>

Statement of Acknowledgement: By signing, all parties acknowledge that they have read and understand all of the above information and requirements and agree to abide by them.

Contractor: By signing below, the Contractor confirms that there is a fully-executed Agreement to install the PV project that has been signed by both Contractor and Customer and that the costs and incentives stated on the NYSERDA approved application for incentive funding are complete and accurate. The Contractor is responsible for keeping this document on file. NYSERDA may request, at any time, that a signed copy of this addendum be provided. Contractor further attests that the customer signature appearing below is the true and genuine signature of the customer and that it was affixed to this document on the date indicated.

Print Customer Name _____

Customer Signature _____ **Date** _____

Contractor Company Name _____

Contractor Name (Print) _____

Contractor Signature _____ **Date** _____



Certificate of Capital Improvement

After this certificate is completed and signed by both the customer and the contractor performing the capital improvement, it must be kept by the contractor.

Read this form completely before making any entries.

This certificate may not be used to purchase building materials exempt from tax.

Name of customer (print or type)	Name of contractor (print or type)
Address (number and street)	Address (number and street)
City State ZIP code	City State ZIP code
Sales tax Certificate of Authority number (if any)	Sales tax Certificate of Authority number (if any)

To be completed by the customer

Describe capital improvement to be performed:

Project name
Street address (where the work is to be performed) City State ZIP code

I certify that:

- I am the (mark one) owner tenant of the real property identified on this form; **and**
- the work described above will result in a capital improvement to the real property within the guidelines of this form; **and**
- this contract (mark one) includes does not include the sale of any tangible personal property that, when installed, does **not** become a permanent part of the real property (for example, a free-standing microwave or washing machine).

I understand that:

- I will be responsible for any sales tax, interest, and penalty due on the contractor's total charge for tangible personal property and for labor if it is determined that this work does not qualify as a capital improvement; **and**
- I will be required to pay the contractor the appropriate sales tax on tangible personal property (and any associated services) transferred to me pursuant to this contract when the property installed by the contractor does not become a permanent part of the real property; **and**
- I will be subject to civil or criminal penalties (or both) under the Tax Law if I issue a false or fraudulent certificate.

Signature of customer	Title	Date
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To be completed by the contractor

I, the contractor, certify that I have entered into a contract to perform the work described by the customer named above, and that I accept this form in good faith. (A copy of the written contract, if any, is attached.) I understand that my failure to collect tax as a result of accepting an improperly completed certificate will make me personally liable for the tax otherwise due, plus penalties and interest.

Signature of contractor or officer	Title	Date
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This certificate is not valid unless all entries are completed.

Guidelines

When the customer completes this certificate and gives it to the contractor, who accepts it in good faith, it is evidence that the work to be performed will result in a capital improvement to real property.

A capital improvement to real property is an addition or alteration to real property that:

- (a) substantially adds to the value of the real property or appreciably prolongs the useful life of the real property, **and**
- (b) becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself, **and**
- (c) is intended to become a permanent installation.

The work performed by the contractor must meet all three of these requirements to be considered a capital improvement. This certificate may not be issued unless the work qualifies as a capital improvement.

If a contractor performs work that constitutes a capital improvement, the contractor must pay tax on the purchase of building materials or other tangible personal property, but is not required to collect tax from the customer for the capital improvement.

For guidance as to whether a job is a repair or a capital improvement, see Publication 862, *Sales and Use Tax Classifications of Capital Improvements and Repairs to Real Property*.

A contractor, subcontractor, property owner, or tenant, may not use this certificate to purchase building materials or other tangible personal property tax free. A contractor's acceptance of this certificate does not relieve the contractor of the liability for sales tax on the purchase of building materials or other tangible personal property subsequently incorporated into the real property as a capital improvement unless the contractor can legally issue Form ST-120.1, *Contractor Exempt Purchase Certificate*. (See Publication 862 for additional information.)

The term *materials* is defined as items that become a physical component part of real or personal property, such as lumber, bricks, or steel. This term also includes items such as doors, windows, sinks, and furnaces used in construction.

Floor covering

Floor covering such as carpet, carpet padding, linoleum and vinyl roll flooring, carpet tile, linoleum tile, and vinyl tile installed as the initial finished floor covering in new construction, a new addition to an existing building or structure, or in a total reconstruction of an existing building or structure, constitutes a capital improvement regardless of the method of installation. As a capital improvement, the charge to the property owner for the installation of floor covering is **not** subject to New York State and local sales and use taxes. However, the retail purchase of floor covering (such as carpet or padding) itself is subject to tax.

Floor covering installed other than as described above does not qualify as a capital improvement. Therefore, the charges for materials and labor are subject to sales tax. The contractor may apply for a credit or refund of any sales tax already paid on the materials.

The term *floor covering* does **not** include flooring such as ceramic tile, hardwood, slate, terrazzo, and marble. The rules

for determining when floor covering constitutes a capital improvement do not apply to such flooring. The criteria stated in (a), (b), and (c) above apply to such flooring.

A certificate is accepted in good faith when a contractor has no knowledge that the certificate is false or is fraudulently given, and reasonable ordinary due care is exercised in the acceptance of the certificate.

If a contractor gets a properly completed Form ST-124 from the customer within 90 days after rendering services, and accepts it in good faith, the customer bears the burden of proving the job or transaction was not taxable.

If you are a contractor who installs items such as washing machines, clothes dryers, dishwashers, refrigerators, furniture, etc., which when installed or placed in real property do not become part of the real property, you must collect tax on your charge for the installation. The individual charge for any of these items is also taxable as the sale of tangible personal property.

If a contractor does not get a properly completed *Certificate of Capital Improvement* within 90 days, the contractor bears the burden of proving the work or transaction was a capital improvement. The failure to get a properly completed certificate, however, does not change the taxable status of a transaction; a contractor may still show that the transaction was a capital improvement.

The contractor must keep any exemption certificate for at least three years after the due date of the last return to which it relates, or the date the return was filed, if later. The contractor must also maintain a method of associating an exempt sale made to a particular customer with the exemption certificate on file for that customer.

Need help?



Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features



Telephone assistance

Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): (518) 485-5082



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.