

CALIFORNIA SOLAR PANEL LEASE DISCLOSURE

California law requires sellers to disclose anything material concerning the property that affects desirability or purchase price.

If the solar panels on the seller's home is subject to a lease or is on a purchase plan, the seller is required under California law to disclose, in writing, this material fact well before close of escrow.

Any buyer who sees solar panels on a home that they intend to make an offer on should make a written inquiry through their selling agent to determine if the solar system is subject to a lease or a payment plan. In the event the seller's home has a solar panel lease or the homeowner is subject to purchasing the solar panels, the following are options for the seller.

1. The seller buys out the remainder of the lease. This means the seller would own the solar panels as part of the home and potential buyers would not have to take on the lease contract or buy it out themselves as a condition of the sale. This simplifies the sale. The downside is the cost to the seller could be high, more than they want or can afford.

2. Transfer the lease or the purchase contract to the new owners. This will require a written and dated agreement signed by the buyers, the sellers, and the company leasing or selling the solar panels as part of the escrow process.

Property address: _____

Date: _____

Seller

Date: _____

Buyer