

**PACE Addendum
To
Solar Power Purchase Agreement**

This PACE Addendum to Solar Power Purchase Agreement (this “**PACE Addendum**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) and is made part of that certain Solar Power Purchase Agreement between the Parties (“**Agreement**”) with respect to the System (as defined in the Agreement) located at the System Location (as set forth in Exhibit 2 of the Agreement and below.

Purchaser:		Seller:	
Name and Address	Purchaser Name, [Inc.] 111 Street Name City, State 00000-0000 Attention: Customer Contact	Name and Address	Seller Name 111 Street Name City, State 00000-0000 Attention: Seller Contact
Phone	() -	Phone	() -
Fax	None	Fax	() -
E-mail	@	E-mail	@
Premises Ownership	Purchaser [] owns [] leases the Premises. List Premises Owner, if different from Purchaser: _____	Additional Seller Information	

System Location: [Site Street Address, City, State 99999]

PACE Program: [NAME]

PACE Taxing Authority: [NAME]
[ADDRESS]

The following provisions are hereby incorporated into the Agreement and the Agreement is hereby amended as follows:

- 1. Effectiveness.** This PACE Addendum is entered into in order to comply with Chapter 29 of Part 3 of Division 7 of the California Streets & Highways Code, including, specifically, Section 5899.2 (“**Chapter 29**”), and shall become effective as of the effective date of that certain Agreement to Pay Assessment and Finance Improvements (“**PACE Tax Assessment Contract**”) entered or to be entered into between Purchaser and PACE Taxing Authority with respect to the Premises as assessed real property for the financing of the System. Under the PACE Tax Assessment Contract, Purchaser has agreed to pay a voluntary contractual assessment (“**Assessment**”) to the PACE Taxing Authority, with installments (“**Assessment Installments**”) to be levied on the County property tax bill (unless otherwise authorized by the PACE Taxing Authority). The term of the PACE Tax Assessment Contract is scheduled to end at the end of the Initial Term, as defined in the Agreement.
- 2. Interpretation.** Except as amended by this PACE Addendum, the Agreement shall remain in full force and effect. In the event of a conflict between the provisions of this PACE Addendum and those of the Agreement, this PACE Addendum shall control. Terms with initial capital letters are defined terms which shall have the respective meanings given them in the Agreement, unless the context of this PACE Addendum requires otherwise. The captions or headings in this PACE Addendum are strictly for convenience and shall not be considered in interpreting the Agreement amended by this PACE Addendum.

3. **Term and Termination.** The Initial Term shall commence on the effective date of the PACE Tax Assessment Contract and shall expire on the later to occur of (a) [XX] years after the Commercial Operation Date or (b) termination or expiration of the PACE Tax Assessment Contract. In no event shall the Initial Term end prior to the date on which the PACE Tax Assessment Contract is fully paid and terminated in accordance with its terms.

4. **Contract Price, Billing, Payment.**

a. **Buy-Down Payment.** An initial Contract Price buy-down payment (the “Deposit”) will be due no later than the Commercial Operation Date in the amount of \$_____.

b. **Payments During PACE Assessment Period.** During the term of the PACE Tax Assessment Contract, Purchaser's payment of the Deposit shall be deemed to satisfy Purchaser's obligations under the Agreement to pay the Contract Price. Accordingly, and in compliance with Section 5899.2(e) of Chapter 29, payment of the Deposit shall be credited against Purchaser's obligation to pay the Contract Price for each Contract Year under the Agreement. Once the sum of total payments of the Contract Price exceed the Deposit, Purhcaser shall pay the Contract Price pursuant to Section 3 of the Agreement.

c. **Payments After PACE Assessment Period.** Unless otherwise terminated as provided in the Agreement, upon expiration of the PACE Tax Assessment Contract, Purchaser shall pay Seller the following Contract Price for each Contract Year as consideration for the purchase of all electric energy generated by the System:

Contract Year (after expiration of PACE Tax Assessment Contract)	Contract price (\$/annum)
1	\$0.0000
2	\$0.0000
3	\$0.0000
4	\$0.0000
5	\$0.0000
6	\$0.0000
7	\$0.0000
8	\$0.0000
9	\$0.0000
10	\$0.0000

d. **Contract Price Installments After PACE Assessment Period.** Once the sum of total payments of the Contract Price exceed the Deposit, the Contract Price for each Contract Year shall become due and payable in twelve (12) equal monthly installments, payable on or before the tenth (10th) day of each month.

5. **Disbursement Requests under PACE Tax Assessment Contract.** Within ten (10) business days of written request from Seller, Purchaser shall deliver to Seller such disbursement requests required under the PACE Program as Seller may reasonably request to enable Seller to pay for installation of the System at the [Premises][System Location].

6. **Relocation of System.** Purchaser shall have no option to relocate the System to substitute premises. Section 8 of the Agreement is hereby deleted in its entirety.

7. **Assignments by Purchaser in the Event of Sale.** In the event that Purchaser transfers its title to the Premises (whether through sale, foreclosure, condemnation, or any other means), the Agreement will be automatically assigned to the new titled owner of the Premises. Section 17(a)(ii)(2) is hereby deleted in its entirety.

8. **Default, Remedies and Damages.**

a. Until the PACE Tax Assessment Contract has been paid in full and terminated in accordance with its terms, in the event of a Payment Default or any Default Event with Seller being the Defaulting Party, Purchaser's right to suspend performance of its obligations under [Sections 13(b)(i) or 13(b)(ii)] of the Agreement shall **not** include suspension of Purchaser's payments under the PACE Tax Assessment Contract.

- b. Until the PACE Tax Assessment Contract has been paid in full and terminated in accordance with its terms, in the event Purchaser pays the Termination Payment to Seller as provided in Section 11(b)(iii)(1) of the Agreement, any payment made by Purchaser to Seller on account of such Termination Payment shall first be used by Seller to repay the Assessment with the PACE Taxing Authority until the Assessment has been paid in full, after which any remaining amount shall be retained by Seller.
- c. Until the PACE Tax Assessment Contract has been paid in full and terminated in accordance with its terms, in the event Seller becomes obligated to pay the Termination Payment as provided in Section 11(b)(iii)(2) of the Agreement, Seller shall first make any such payment on account of the Assessment until the Assessment has been paid in full, after which Seller shall pay any remaining balance directly to Purchaser.

9. System and Facility Damage.

- a. Until the PACE Tax Assessment Contract has been paid in full and terminated in accordance with its terms, in the event Purchaser purchases the System as provided in Section 14(b)(i) of the Agreement, any payment made by Purchaser to Seller on account of the System purchase price shall first be used by Seller as a deposit to fund in advance the Assessment with the PACE Taxing Authority until the Assessment has been paid in full, after which any remaining amount shall be retained by Seller.
- b. Until the PACE Tax Assessment Contract has been paid in full and terminated in accordance with its terms, in the event Purchaser pays the Termination Payment to Seller as provided in Section 11(b)(iii)(1) of the Agreement, any payment made by Purchaser to Seller on account of such Termination Payment shall first be used by Seller to pay future payments of Assessments with the PACE Taxing Authority until the Assessment has been paid in full, after which any remaining amount shall be retained by Seller.

10. Option to Purchase. In the event Purchaser purchases the System as provided in Section 14(b) of the Agreement, the purchase price shall be the greater of (a) the Fair Market Value (as defined in Section 14(b)(ii) of the Agreement), and (b) the remaining unpaid balance of the Deposit.

11. Additional Provisions under California Highway Code Section 5899.2. In addition to the provisions set forth above in this PACE Addendum, the following mandatory provisions under Section 5899.2 of Chapter 29 (“**Mandatory Provisions**”) shall be included in the Agreement by this reference and, in the event of a conflict between the Mandatory Provisions and any other provisions of this PACE Addendum or provisions of the Agreement, the Mandatory Provisions shall control.

- a. The System is an eligible renewable energy resource pursuant to the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code).
- b. Seller (including its permitted successor and assignees), agrees to install, maintain, and monitor the System for the entire term of the Agreement.
- c. Seller shall not remove the System from the [Premises][System Location] prior to completion of the term of the lien securing Purchaser’s payment obligations under the PACE Tax Assessment Contract (the “**Assessment Lien**”).
- d. Purchaser’s right to purchase electric energy generated by the System under the terms of the Agreement is tied to Purchaser’s ownership of the Premises as assessed real property and will automatically transfer with the title to the Premises as assessed real property whether the title is transferred by voluntary sale, judicial or nonjudicial foreclosure, or by any other means. Accordingly, during the term of the PACE Tax Assessment Contract (i) Sections [13(a)(iv) and 13(a)(v)] of the Agreement shall not apply, and (ii), Seller’s remedies under the Agreement shall be limited to those remedies allowed under the terms of the PACE Program in the events described under Sections [13(a)(iv) and 13(a)(v)] of the Agreement.
- e. The PACE Taxing Authority is a third-party beneficiary of the Agreement until the Assessment Lien on the Premises has been fully paid and until that time, the Agreement shall not be amended without the consent of the PACE Taxing Authority.
- f. In order to ensure that Purchaser is guaranteed the electric power from the System for the length of the Assessment Lien, the System shall not be removed if Seller is not performing its obligations under the Agreement.
- g. One of the following is true at all times, so long as the PACE Tax Assessment Contract has not yet been paid in full

and terminated in accordance with its terms:

- i. Seller (and its permitted successors and assignees) warrants that no assignee, creditor, partner, or owner of the Seller has the right to remove or permanently decommission the System, and Seller (and its permitted successors and assignees) covenants that neither Seller nor any successor in interest will remove or permanently decommission the System during the term of the PACE Tax Assessment Contract; or
- ii. The owner of the System is a bankruptcy remote special purpose entity that is bankruptcy remote and (x) does not engage in any business other than owning the attached systems and entering into electricity contracts with the Purchaser; (y) has no material debt; and (z) its contracts are either entered into with unrelated third parties or have terms negotiated at arms length.

IN WITNESS WHEREOF the undersigned Purchaser has executed this PACE Addendum effective as of the same date as the PACE Tax Assessment Contract.

Purchaser: Purchaser Name, [Inc.]

Seller: _____

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

