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December 16, 2025

VIA CERTIFIED MAIL AND EMAIL

SunStrong Capital Holdings, LLC
Legal Department
3575 Far West Blvd, Suite 300
Austin, TX 78731

Re: DEMAND FOR RESCISSION — Contract ID OB003396198

Homeowner: Wendy Shaw, 1343 E. 21st Street, Merced, CA 95340

Dear Counsel:

I represent Wendy Shaw regarding the 25-year Power Purchase Agreement she signed with Sunnova on November 9, 2020. This letter constitutes formal demand for complete rescission of the PPA and removal of the solar system from Ms. Shaw's property based on multiple violations of California law and material misrepresentations during the sales process.

I. GROUNDS FOR RESCISSION

Ms. Shaw is entitled to rescission under California Civil Code §§ 1689-1693 based on fraud, material misrepresentation, and multiple statutory violations:

A. Violations of California's Solar Consumer Protection Act (AB 1070)

California Business & Professions Code § 7169 mandates specific disclosures on the FIRST PAGE of any solar contract in a clear, conspicuous manner. Your PPA fails to comply in three critical ways:

1. The cover page disclosure is materially incomplete—it omits the total contract cost, system size specifications, and warranty information required by statute.
2. The actual total cost (\$64,619.00 over 25 years) is buried on page 36 of 41 in print so small it requires magnification to read. California law requires material terms to be "clear and conspicuous"—hiding them in microscopic print at the end of a 41-page document defeats the purpose of AB 1070's consumer protection requirements.
3. The "California Solar Consumer Protection Guide" referenced in Section 2 of the PPA Disclosures was never provided to Ms. Shaw at signing or thereafter, despite being required by the contract's own terms and California law.

B. Undisclosed UCC-1 Fixture Filing

The PPA authorizes Sunnova to file a UCC-1 financing statement against Ms. Shaw's property (Section 11(d)). This was never disclosed or explained during the sales process. Ms. Shaw only learned of this filing—which clouds her title and creates substantial complications for any sale or refinance—five years after signing. The salesman, Manuel Garcia, specifically assured Ms. Shaw that selling her home with the system would be "easy" and that the system would "transfer without any problems." This representation was false and known to be false given

the UCC-1 filing's impact on marketability and the documented difficulties buyers face with PPA transfers. Ms. Shaw has no children and plans to leave her home to her out-of-state niece—a transfer that will now be significantly complicated by undisclosed encumbrances that should have been explained before she ever signed.

C. Material Misrepresentations About Savings and System Performance

Ms. Shaw was promised "incredible savings" on her electricity bills. The documented reality demonstrates these were false promises designed to induce signing:

- Ms. Shaw's total electricity costs INCREASED 35.8% (25.8% after a 10% auto-pay discount) from 2020 to 2024—precisely the same rate increase experienced by non-solar customers fully exposed to utility rate hikes. The solar system provided exactly zero protection from rate increases.
- Her total annual electricity cost rose from \$1,926.76 (2020, pre-solar) to \$2,409.97 (2024, with solar). Far from saving money, she is paying nearly \$500 more per year.
- The system has systematically underperformed the Schedule A production estimates every single year: Year 1 (9.05% below estimate), Year 2 (6.18% below), Year 3 (1.01% below), Year 4 (5.32% below). These are not honest estimates subject to normal variance—they are consistently inflated projections designed to make the financial case for signing.

When a solar system consistently underperforms by 5-9% annually while providing zero protection from rate increases and actually increases costs by 25%, the "savings" promise is revealed as fraudulent inducement.

D. Constructive Abandonment and Material Breach

Section 4 of the PPA prohibits Ms. Shaw from having anyone other than Sunnova/SunStrong service the system. Having imposed this exclusive servicing requirement, SunStrong has made itself completely unreachable:

- Ms. Shaw spent five weeks attempting to contact SunStrong by phone, including one documented call of several calls where she remained on hold for 2 hours and 48 minutes before abandoning the attempt.
- Four certified letters sent to four different SunStrong locations requesting service were completely ignored.
- Multiple website inquiries received only automated responses directing her to call the same perpetually unanswered phone line.

A company that contractually prohibits customers from obtaining service elsewhere while simultaneously making itself unavailable has constructively abandoned its obligations. This is not merely a breach—it renders the entire contract unenforceable under California's covenant of good faith and fair dealing. See *Carma Developers (Cal.), Inc. v. Marathon Dev. Cal., Inc.*, 2 Cal. 4th 342 (1992).

Moreover, Ms. Shaw recently received notice that her cellular monitoring service will expire on December 9, 2025, with Enphase offering to sell her a new monitoring device for \$499 or extend the service for \$147.99. Ms. Shaw was never informed there was any cellular plan relating to the system, who paid for it initially, or that she would be charged for continued monitoring. The PPA's monitoring provisions are deliberately vague on this point, and SunStrong has refused to clarify despite repeated requests.

II. DEMAND FOR RESCISSION

Ms. Shaw demands the following within THIRTY (30) DAYS of the date of this letter:

1. Full rescission of the Power Purchase Agreement (Contract ID OB003396198);
2. Removal of the solar system from Ms. Shaw's property at your expense;
3. Termination and release of the UCC-1 financing statement;
4. Refund of all payments made under the PPA;
5. Release of any and all claims against Ms. Shaw arising from this contract.

III. CONSEQUENCES OF NON-COMPLIANCE

If these demands are not met within the specified timeframe, Ms. Shaw will pursue all available legal remedies, including:

1. Initiation of arbitration under PPA Section 19 seeking rescission, restitution, and all damages and remedies available under California's Unfair Competition Law (Bus. & Prof. Code § 17200 et seq.), the Consumer Legal Remedies Act (Civ. Code § 1750 et seq.), California Civil Code § 1689 et seq., and breach of the covenant of good faith and fair dealing;
2. Recovery of attorney's fees and costs as the prevailing party under California Civil Code § 1780(d) and the Consumer Legal Remedies Act;
3. Filing complaints with appropriate regulatory agencies regarding disclosure violations and service abandonment.

California has the strongest consumer protection laws in the nation for solar contracts, and courts and arbitrators consistently enforce them. The evidence of AB 1070 violations, undisclosed UCC-1 filings, material misrepresentations about savings, systematic underperformance, and service abandonment creates substantial exposure. When a system fails to deliver promised savings, increases costs by 25.8%, underperforms projections every year, and the company makes itself unreachable while contractually prohibiting customers from seeking service elsewhere, the legal outcome is predictable.

Resolution at this stage avoids the time and expense of protracted legal proceedings while allowing both parties to move forward. Ms. Shaw's claims are well-documented and supported by five years of evidence. A businesslike resolution now serves everyone's interests.

This letter serves as the required notice under California Civil Code § 1782 for claims under the Consumer Legal Remedies Act. Ms. Shaw reserves all rights and remedies under federal and state law.

IV. LITIGATION HOLD

You are directed to preserve all documents, communications, and electronically stored information relating to Ms. Shaw's account, the sales process (including all communications with salesman Manuel Garcia), system performance data, customer service records, and any complaints from other California customers regarding similar issues.

Sincerely,

/s/ Sergei Tokmakov, Esq.

✓ Signed by: Sergei Tokmakov, Esq.
CBN 279869

December 16, 2025 at 07:57 PM
Verified email: owner@terms.law
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