

Operations and Maintenance Agreement

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To

Blue Sky Utilit Sub1 LLC or Assigned

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O&M Agreement
North State Grocery - Orland Solar System

February 14, 2017

Blue Sky Utility Sub1 LLC
Attn: Ran Bujanover
PO Box 5571
Napa, CA 94581
ran@blueskyutility.com

SUBJECT: Operations and Maintenance Agreement BPI – North State Grocery - Orland Solar System

Dear Mr. Bujanover,

Bright Power Inc. ("BPI") is pleased to present for your review and consideration the following Agreement for the Operations and Maintenance of the solar photovoltaic power system at North State Grocery - Orland Solar System in Orland, CA. BPI is a renewable energy Engineering, Procurement and Construction management (EPC) contractor.

Orland Solar Systems:

32 E. Walker St., Orland CA 95963
Size: 575.84 kW DC STC

Should you decide the project is a worthwhile undertaking, we are eagerly prepared to support you and initiate the project. Please review the following information, and do not hesitate to call me directly should you have any questions. I look forward to discussing the project with you further.

Sincerely,

Brian Peterson

President



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1) General Information

Document Properties

| Attribute(s) | Value |
|---------------------------|---|
| Client: | Blue Sky Utility Sub1 LLC or Assigned |
| Client's Mailing Address: | PO Box 5571, Napa, CA 94581 |
| Document Title: | Operations and Maintenance Agreement – North State Grocery - Orland Solar System |
| Date: | February 14, 2017 |
| Authors: | Ninah Moody, Brian Peterson |

Distribution List

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|-----------------|------------------------------------|--|
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| Brian Peterson | BPI – President | brian@bpi-power.com |
| Kevin Berryhill | BPI – Operations | kevin@bpi-power.com |
| Ninah Moody | BPI – Project/Construction Manager | ninah@bpi-power.com |



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2) Cost for Operation and Maintenance

Operations and Maintenance managed by BPI.

| Name | Term | Total Amount |
|--|--------|---------------------|
| North State Grocery - Orland Solar System (includes 1 annual panel washing) | 5/year | \$7,390.00/per year |

Additional Optional Panel Washing

| Name | Washes | Total Amount |
|---|--------|---------------|
| North State Grocery - Orland Solar System | 1ea | \$6,170.00/ea |

Pricing will be increased 2% annually, beginning January 1st of each year.

BPI T&M rates

| Time & Materials | Rate |
|--|-----------------------|
| Principal in Charge | \$220.00/hour |
| Project Manager | \$150.00/hour |
| Assistant Project Manager | \$115.00/hour |
| Project Engineer | \$130.00/hour |
| Project Technician | \$115.00/hour |
| Procurement Manager | \$100.00/hour |
| Administrative | \$85.00/hour |
| Overtime / Double Time | 1.5x rate / 2.0x rate |
| Mileage | At IRS current rate |
| Service Truck (Instrumentation included) | \$10.00/hour |
| Materials/Rental Equipment | Cost plus 15% |

BPI T&M rates shall not exceed 2% annual increase.



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3) Proposed Operations and Maintenance Plan

Services included in the base price:

- Module Cleaning – Once annually in spring time
- Customer Tech Support
- Performance Monitoring
- Performance Reports
- Alarm Monitoring and Notification
- Roof inspections during module cleaning
- Annual Preventative Maintenance
 - Thermal images of all equipment, as well as PV arrays to look for damaged electrical components
 - String Inverters
 - DC & AC Disconnects
 - AC Combiner Panel
 - Transformers
 - Main Service Board
 - Weather Station (if applicable)
 - Data Acquisition System (if applicable)
 - Inverter Inspection
 - Inverter filter cleaning
 - Inverter pad cleaning
 - PV panel inspection
 - Check for broken or damaged panels
 - Inspection of all electrical equipment for water ingress, rust, or structural damage
 - String Inverters
 - DC & AC Disconnects
 - AC Combiner Panel
 - Transformers
 - Main Service Board
 - Weather Station (if applicable)
 - Data Acquisition System (if applicable)
 - Inspection and Voltage & Current testing
 - Voltage test of strings
 - Inverters
 - DC current testing
 - Open circuit voltage testing
 - Visual inspection of mechanical components
 - Mounting systems
 - Visual inspections of AC & DC electrical components
 - Including conductors
 - Conduit
 - Connectors
 - Enclosures
 - Disconnects
 - Switch gear



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- Routine monitoring system maintenance and data integrity check, as required
 - Routine system maintenance to include correction of loose electrical connections, ground connections
 - Replacement of defective modules found during testing
 - Other minor maintenance repair work
 - Inspect combiner boxes
 - Tighten connections
 - Site drainage inspection
 - Ground system testing
 - Sensor calibration / replacement

Services on a Time and Material basis

- Corrective maintenance Covered by third party warranty
- Corrective maintenance Not Covered by third party warranty
- Emergency trips not covered by the Warranty

Please refer to your BPI Operations and Maintenance Manual for corrective repair activities.



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4) Performance Guarantee

Measured Performance Ratio: Contractor guarantees that the net output from the Project in the first two years of operation (from the Placed in Service Date to each of the first two anniversaries of the Placed in Service Date, "Year One" and "Year Two" respectively) shall meet or exceed the Expected Performance Ratio for such year, when tested in accordance with the test procedures set forth in Exhibit C (System Testing Protocols) of the EPC. As set forth in Exhibit C of the EPC, at the first and second anniversary of the Placed in Service Date, Contractor shall calculate (i) the actual annual output of the Project the "Annual Output") and (2) the theoretical annual output as determined by PVsyst for the year (the "PVsyst Output"); it being understood and agreed that the PVsyst Output shall be calculated in accordance with Exhibit P of the EPC. The "Measured Performance Ratio" is referred to herein as the performance ratio, expressed as the percentage, that the Annual Output for the period bears to the PVsyst Output for that period. The "Expected Performance Ratio" for each of Year One and Year Two is as set forth in the following table:

| Year | Expected Performance Ratio |
|------|----------------------------|
| One | 90% |
| Two | 89.5% |

Performance Guarantee Damages: In the event that the Measured Performance Ratio does not meet or exceed the Expected Performance Ratio for Year One, the Parties agree that Owner shall be entitled to liquidated damages due to the lost revenue in an amount equal to the difference between the Expected Performance Ratio for the year and the Measured Performance Ratio for Year One (expressed as a percentage) multiplied by the product of the PVsyst Output and the value of \$0.1845 (\$/kWh) ("First Year Performance Guarantee Damages"). In the event that the Measured Performance Ratio does not meet or exceed the Expected Performance Ratio for Year Two, the Parties agree that Owner shall be entitled to liquidated damages due to the lost revenue in an amount equal to the difference between the Expected Performance Ratio for Year Two and the Measured Performance Ratio for Year Two (expressed as a percentage) multiplied by the product of the PVsyst Output and the value of \$0.1900 (\$/kWh) ("Second Year Performance Guarantee Damages" together with the First Year Performance Guarantee Damages the "Performance Guarantee Damages"). Contractor shall pay any applicable Performance Guarantee Damages within thirty (30) days after Owner invoices Contractor for the same.

Performance Guarantee Damages Reasonable: The parties agree that it would be extremely difficult or impracticable under the presently known and anticipated facts and circumstances to ascertain and fix the amount of actual damages that would be suffered due to contractor's failure to achieve the expected output for the project. Therefore, the parties acknowledge that the performance guarantee damages are a fair and reasonable pre-estimation of the amount of damages which would be suffered by owner for such failure, and that the performance guarantee damages do not constitute a penalty.



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5) Agreement Acceptance / Signature Page

OWNER: Blue Sky Utility Sub1, LLC or Assigned **CONTRACTOR: BPI**

BY: 

PRINT NAME: Ran Bujanover

TITLE: President

DATE: 2/15/17

BY: 

PRINT NAME: Brian Peterson

TITLE: President

DATE: 2/15/17



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6) Exhibits

Exhibit A - Contractor's License and Proof of Insurance

BPI holds Engineering A (power stations), and Electrical C-10 contracting license with the State of California #: 930054.

| ACORD® | | CERTIFICATE OF LIABILITY INSURANCE | | DATE (MM/DD/YYYY) 9/13/2017 | | |
|---|--|--|--|--------------------------------|--------------------------------|--|
| THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER. | | | | | | |
| IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s). | | | | | | |
| PRODUCER Andreini & Co-Santa Rosa 220 W 20th Ave San Mateo CA 94403 | | CONTACT NAME PHONE (A/C No.) Ext: 650-573-1111 FAX (A/C No.): 650-378-4361 E-MAIL ADDRESS: | | | | |
| INSURED Bright Power, Inc. dba BPI P.O. Box 10637 Napa CA 94581 | | INSURER(S) AFFORDING COVERAGE | | NAIC # | | |
| BRIGH-3 | | INSURER A: Great American Assurance Co. | | 44393 | | |
| | | INSURER B: West American Insurance Co. | | 22314 | | |
| | | INSURER C: RSUI Indemnity Company | | 35076 | | |
| | | INSURER D: State Compensation Ins Fund | | | | |
| | | INSURER E: | | | | |
| | | INSURER F: | | | | |
| COVERAGES CERTIFICATE NUMBER: 1235260543 REVISION NUMBER: | | | | | | |
| THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. | | | | | | |
| INSR LTR | TYPE OF INSURANCE | ADDL SUBN INSD WVR | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJCT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER: | | GLP1055246 | 6/12/2017 | 6/12/2018 | EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000 MED EXP (Any one person) \$Excluded PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$ |
| B | <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> RENTED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY | | BAW56791512 | 6/17/2017 | 6/17/2018 | COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| C | <input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ | | NHA242751 | 6/12/2017 | 6/12/2018 | EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$ |
| D | <input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N <input type="checkbox"/> N/A | 193792617 | 3/14/2017 | 3/14/2018 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000 |
| DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) | | | | | | |
| | | | | | | |
| CERTIFICATE HOLDER | | | CANCELLATION | | | |
| Proof of Coverage | | | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. | | | |
| | | | AUTHORIZED REPRESENTATIVE <i>Christina Ruckstuhl</i> | | | |

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Exhibit B – BPI Site Visit Report

|  | | SITE VISIT REPORT | |
|---|--|---------------------------|-------------|
| BPI EMPLOYEE: _____ | | DATE: _____ | TIME: _____ |
| SITE NAME: _____ | | PROJECT ADDRESS: _____ | |
| TOTAL WORK HOURS: _____ | | TOTAL TRAVEL HOURS: _____ | |
| PURPOSE OF VISIT: | | | |
| | | | |
| | | | |
| WORK PERFORMED: | | | |
| | | | |
| | | | |
| OBSERVATIONS: | | | |
| | | | |
| | | | |
| ACTION ITEMS: | | | |
| | | | |
| | | | |

