

SOLAR SERVICES PARTICIPATION AGREEMENT

This Solar Services Participation Agreement (“Agreement”), dated November 16 2015 between Ibrahim Qorbanzada (“Applicant”) and Blue Sky Utility LLC (“Service Provider”) establishes and governs the provision of solar energy services (“Services”) by Service Provider to Applicant during the time period commencing on the later to occur of (i) the signature date of this Agreement or (ii) the date that the Service Provider’s NEMV Arrangement (as defined below) has been approved and commences (as applicable, “Commencement Date”), and ending in accordance with the terms and conditions contained herein.

Applicant Service Address (please include building number, street, apartment number (if applicable), city, and state):

1955 West Texas Street, Suite 8, Fairfield CA

Meter Location: _____

RECITALS

WHEREAS, Service Provider desires to establish a virtual net metering program (hereinafter the “NEMV Arrangement”) for Winery Square Station, L.P. (“Landlord”) for its multi-Lessee property commonly referred to as Winery Square and located in Fairfield, CA (“Property”), which NEMV Arrangement shall be administered under the terms of PG&E (Utility) and A1X rate schedule, whose terms may be amended or revised from time to time (the “NEMV Schedule”)¹;

WHEREAS, Service Provider intends to install, own and operate a solar photovoltaic electric generating facility (hereinafter the “Renewable Electrical Generation Facility”) at the Property to generate solar energy;

WHEREAS, Applicant is a tenant of the Landlord’s Property and seeks to engage Service Provider to provide the Services and deliver solar energy credits to Applicant in accordance with the NEMV Schedule; and

WHEREAS, the Service Provider wishes to perform the Services on behalf of the Applicant subject to the terms and conditions set forth in this Agreement.

TERMS AND CONDITIONS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. The Applicant affirms that Applicant, pursuant to that certain lease agreement with the Landlord dated 12/1/2013 (as amended, “Applicant’s Lease”), leases certain premises from Landlord located at the address above, herein referred to as “Applicant’s Service Address.” Applicant further affirms that such address identifies premises that are interconnected to and takes electric service from Utility using a separately or individually metered unit.

¹ The NEMV Schedule can be found here: <http://www.pge.com/tariffs/tm2/pdf/ELEC_SCHEDULES_NEMV.pdf>

2. Applicant hereby authorizes Service Provider to act as its independent agent and designee to take all actions deemed reasonably necessary to provide the Services, which will include: (i) participating in the NEMV Arrangement on behalf of the Applicant under the terms of the NEMV Schedule, (ii) discounting a designated portion of Applicant's ongoing electric energy service usage (measured in kWh) with solar energy credits (hereinafter the Applicant's "Allocation"), (iii) establishing and/or reporting Applicant's Allocation to Utility, and (iv) managing and administering Applicant's electric service billing account(s) and payments to Utility for the benefit of Applicant; provided, however, Applicant may retain management and control of its electric service billing account(s) and payments to the Utility if it provides written notice to the Service Provider no later than five (5) days after written notice of the Commencement Date by the Service Provider; provided, further, if Applicant retains management and control of its electric service billing accounts and payments during the term as provided herein, it shall ensure that copies of all Utility invoices and electric service information are delivered to Service Provider no later than three (3) days of receipt of such invoices or electric service information from the Utility.
3. Applicant shall be entitled to receive all solar energy credits attributable to its Allocation, and agrees to be solely responsible for all costs, billing, invoices, and any other charges associated with the provision of electric service by Utility under the NEMV Schedule to the Applicant's Service Address.
4. Service Provider will provide notice of Applicant's Allocation during the first monthly billing period of Applicant's participation in the NEMV Arrangement. The Allocation will be equal to a fixed percentage share of the Renewable Electrical Generation Facility's solar energy production during each monthly billing period. Applicant's Allocation may be modified by Service Provider from time to time in accordance with Paragraph 7. Per the NEMV Schedule, each month Service Provider will manage and apply the Utility discount to Applicant's electric service use in an amount equal to the solar energy credit Allocation. Applicant acknowledges and agrees it will not have any rights or interests in, nor be entitled to claim or receive, the actual electric energy output of, or any other economic benefit attributable to, the Renewable Electrical Generation Facility or its production, other than any Utility credits attributable to Applicant's Allocation under the NEMV Schedule.
5. Applicant agrees to promptly comply with any request to provide Service Provider copies of any documents, records, or electric service metering information that are reasonably necessary to enable Service Provider to implement this Agreement or substantiate any claim, charge, or calculation made by the Applicant under this Agreement. Service Provider agrees to provide Applicant, upon request, commercially reasonable information about Applicant's participation in the NEMV Arrangement or the Renewable Electrical Generation Facility's production.
6. For each applicable monthly billing period during the Term (defined in Section 9 below), Applicant agrees to pay Service Provider for the Services, and Service Provider accepts as payment from Applicant therefor, an amount equal to 95% of the cost (calculable in U.S. dollars) that Applicant would have been required to pay to Utility for the electric service attributable to or associated with the solar energy credits that Applicant receives per its Allocation. For the sake of clarity, the Services fee payment will be calculated based on the amount of kWhs delivered by Utility to the Applicant's Service Address during the prior monthly billing period that equals the Applicant's Allocation, multiplied by the applicable Utility electric service rate under Applicant's Utility otherwise-applicable metered rate schedule ("OAS"), taking into account the applicable OAS terms and conditions (including time of day and seasonable adjustments) that include all components of the standard rate tariff including taxes, surcharges, or any other charges included in the OAS rate tariff that continue to be charged or would have otherwise been charged as part of Applicant taking electric service from Utility with respect to the Allocation; provided, however, the Service Provider will not invoice or charge the Applicant for any fees or charges directly associated with Applicant's participation in the NEMV Arrangement if those fees or charges would not have otherwise been incurred. In addition to the Services fee payment, for each

applicable monthly billing period during the Term the Applicant shall transfer and pay to Service Provider (acting as Applicant's agent pursuant to Section 2(iv)) all amounts identified by Utility as due to owing for Applicant's receipt and use of electric service not attributable to or associated with the Allocation.

7. Throughout the term, Service Provider shall prepare and render to Applicant within ten (10) business days after the end of each month an invoice for the Services as calculated pursuant to Paragraph 6 above. Each invoice will contain a copy of each Utility performance report on the amount of electricity generated by the Renewable Electrical Generation Facility during the prior month. Applicant's Payment shall be made by any method acceptable to Service Provider on or before the thirtieth (30th) day following receipt by Applicant of Service Provider's invoice. If the Applicant fails to pay and transfer the Services fee when due under this Agreement for any reason, the Service Provider shall have the right to revise, modify or otherwise change the Applicant's Allocation.

8. Service Provider will operate and maintain the applicable Renewable Electrical Generation Facility consistent with prudent industry practices and in a manner to generate electric energy for delivery to Utility in accordance with the terms and conditions of the Utility NEMV Schedule. Service Provider shall retain all right, title and interest to all environmental attributes, tax credits, rebates, incentives or solar energy attributes generated by or associated with the Renewable Electrical Generation Facility.

9. This Agreement shall expire on the earlier to occur of (i) the date Applicant's Lease expires by its terms or is terminated, (ii) the Renewable Electrical Generation Facility ceases to produce solar energy and is removed from the Landlord's property, or (iii) other termination of this Agreement pursuant to the terms hereof (as applicable, "Termination Date"). The period commencing on the Commencement Date and ending on the Termination Date shall be referred to herein as the "Term." If this Agreement is terminated for any reason, Applicant shall remain responsible for the payment of all Services fees or charges that are attributable to providing the Services prior to the date of termination.

10. Applicant agrees that Service Provider shall not be held responsible and will be indemnified by Applicant for any damages resulting from Service Provider's failure to perform any part of this Agreement as a result of Applicant's failure to pay the Services fee or its breach of this Agreement. Notwithstanding any provisions hereunder to the contrary, Service Provider reserves the right to discontinue the provisions Services to the Applicant for Services fee non-payment that is not cured within sixty (60) days following receipt by Applicant of Service Provider's invoice under Section 6 and 7. Applicant further acknowledges and agrees that Landlord is not a party to this Agreement shall not be liable for any costs, claims, damages, liabilities or issues arising from the terms and conditions of this Agreement.

11. The Parties hereby warrant that the persons executing this Agreement are authorized to execute and obligate the respective Parties to perform under this Agreement in accordance with its terms.

12. Service Provider represents that Applicant's participation in the NEMV Arrangement will not cause interruption to Applicant's electric service from Utility. Service Provider further represents and acknowledges that the Applicant's Allocation will be attributable to a portion of electric energy generated from the single Renewable Electrical Generation Facility located or that will be located at a multi-tenant property that shares the same service delivery point with the Applicant's electric service meter consistent with the Utility NEMV Schedule requirements and California Public Utilities Commission (CPUC) Decisions 11-07-031 and 08-10-036 (as the same may be modified or amended from time to time).

13. No provision of this Agreement shall be construed or represented as creating a partnership, trust, joint venture, fiduciary, or any similar relationship between the Parties. This Agreement is made and

entered into for the protection and legal benefit of the Applicant and the Service Provider and their permitted successors and assigns, and no other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement. This Agreement may be assigned by Applicant to an assignee or sublessee of the premises located at Applicant's Service Address, provided Applicant has provided prior written notice to the Service Provider and received written consent to such assignment; provided, however, if Service Provider has not provided a written response within thirty (30) days of receipt of such prior written notice by Applicant, such failure to respond shall be considered consent by Service Provider for purposes of this Section 13. 14. The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement by prompt negotiations noticed in writing. If the matter is not resolved within thirty (30) days of the notice date of such negotiations, either party may initiate binding arbitration proceedings. The arbitration shall be adjudicated by one retired judge or justice from a JAMS Inc. ("JAMS") panel, shall take place in San Francisco, California, and shall be administered by and in accordance with JAMS's Commercial Arbitration Rules ("Arbitration"). The California Superior Court of the City and County of San Francisco may enter judgment upon any award rendered by the arbitrator.

15. This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of California, excluding any choice of law rules that might direct the application of the laws of a different jurisdiction.

16. Correspondence regarding this Agreement and administration of the Services should be sent electronically or mailed to the Service Provider at the following contact points:

Blue Sky Utility

P.O. Box 5571

Napa, CA 94581

(408) 693-4046

mike@blueskyutility.com

17. This Agreement shall at all times be subject to such changes or modifications by the CPUC as said commission may, from time to time, direct in the exercise of its jurisdiction.

18. This Agreement may be executed by the Parties in one or more counterparts, each of which, when executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives as of the signature date.

PROVIDER

Signature


Name of Authorized Representative

Title

Phone

APPLICANT

Signature

_____ 

Name of Authorized Representative

Ibrahim Qorbanzada

Title

Discount Cigarettes Manager

Phone

(707) 425-3834

Date November 16, 2015