

FREQUENTLY ASKED QUESTIONS

Q1 *Why was the name of the form changed from Solar Lease / Solar Loan Assumption Addendum to Solar Addendum?*

A1 The October 2017 version of the form exclusively applied to those transactions in which the Solar System installed on the Premises is subject to a lease or unpaid loan. The February 2022 version of the form now additionally applies to those transactions in which the Solar System installed on the Premises is owned outright by the Seller or owned by a utility company, meaning the Solar System is not subject to a lease or unpaid loan. The name of the form was revised to reflect this change.

Q2 *If a box on line 14 of the Solar Addendum is marked, do lines 24-59 of the Addendum apply?*

A2 No. If a box on line 14 of the Solar Addendum is marked, indicating that the Solar System is owned by the Seller or a utility, lines 15-22 apply, not lines 24-59. Similarly, if the box on line 23 is marked, lines 24-59 apply, not lines 15-22. Finally, lines 60 and beyond apply regardless of which box referenced above is marked.

Q3 *What is a Utility Owned Solar System as that term is used on line 14 of the Addendum?*

A3 A Utility Owned Solar System is one in which the Solar System installed on the homeowner's roof produces power for use by the utility company and the power constitutes the personal property of the utility company. Under this arrangement, the homeowner purchases all their power from the utility company at full retail price and, in exchange, the utility company provides the homeowner with a monthly credit on their bill. Some utilities, such as APS, refer to programs of this nature as a Solar Partner Program.

Q4 *A scenario arises in which the Seller provides to the Buyer all the required information identified on lines 26-30. After reviewing the information, the Buyer hazes no objections and desires to continue with the transaction. How should the Buyer proceed?*

A4 In this scenario, if the Buyer elects to continue with the transaction and not deliver a signed notice of cancellation, the Buyer shall "immediately" apply for lease/loan Assumption Approval in the manner required by Lessor. See lines 37-39. The term "immediately" means as soon as practical and should the Buyer delay, the Seller can deliver a notice to the Buyer specifying the non-compliance as set forth in Section 7a of the Contract.

Q5 *Pursuant to lines 40-42, the Buyer's obligation to complete the sale is contingent upon the Buyer receiving Assumption Approval "no later than three (3) days prior to the COE date." Why did the workgroup decide to keep the current three day timeline?*

A5 Unfortunately, in many instances it takes the Lessor a lengthy period of time to issue Assumption Approval. The workgroup therefore wanted to provide enough time for the Buyer to complete the Assumption Approval process. If a shorter timeframe were implemented, the Buyer may choose to cancel upon expiration of that shorter timeframe in the event that Assumption Approval has not yet been obtained. Additionally, the workgroup deemed it beneficial to have the Assumption Approval timeline mirror the loan approval timeline set forth in the Contract.

Q6 *How should the Buyer proceed if they believe that Assumption Approval is forthcoming, but will not be issued until after the deadline set forth on line 42, which is three days prior to COE?*

A6 The Buyer should seek to execute an addendum with the Seller to extend the deadline by which Assumption Approval must be obtained. If the Seller declines to do so, the Buyer has the right to deliver to the Seller a signed notice of inability to obtain assumption approval, provided that the Buyer does so no later than three days prior to COE.

Q7 *Why is there now a section in the Addendum addressing Transfer Fees?*

A7 Since 2017 when the Solar Lease / Solar Loan Assumption Addendum was first drafted, it has become increasingly common for Lessors to charge a Transfer Fee in conjunction with the Buyer's assumption of the Solar System lease/loan. The workgroup therefore wanted to provide the parties with the opportunity to negotiate and document who will pay any such Transfer Fee.

Q8 *What is a Credit Score Fee as that term is used on line 50?*

A8 Many Lessors require the Buyer to have a minimum credit score to obtain assumption approval. For those buyers who do not meet the required credit score, some Lessors will issue assumption approval if the Buyer agrees to pay an additional fee referred to as a Credit Score Fee. The Buyer is not obligated to pay this fee and may instead elect to cancel the Purchase Contract provided the Buyer does so within the Inspection Period or five (5) days after receipt of notice from Lessor of the Credit Score Fee, whichever is later. If the Buyer elects to proceed, the Buyer will be responsible for paying this fee.

Q9 *Why is it important for the Seller to keep the electric utilities on through Close of Escrow as contemplated in lines 62-71?*

A9 If the Seller turns off the electric utilities or changes the rate plan between the date of Contract Acceptance and Close of Escrow, the Buyer may be unable to remain on the same rate plan previously utilized by

