

AGREEMENT FOR THE PURCHASE AND SALE OF SOLAR POWER GENERATING FACILITIES
BETWEEN WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
AND HSD SOLAR HOLDINGS, LLC

THIS AGREEMENT FOR THE PURCHASE AND SALE OF SOLAR POWER GENERATING FACILITIES ("Agreement") is made and entered into this 8th day of October, 2019 ("Effective Date"), by and between HSD Solar Holdings, LLC, a California limited liability company ("Seller"); and William S. Hart Union High School District, a California public school district ("Purchaser"). Seller and Purchaser may be individually referred to herein as "Party" and collectively referred to herein as "Parties."

RECITALS

WHEREAS, Purchaser and Seller are parties to a Solar Energy Power Purchase Agreement ("PPA"), dated as of February 16, 2011, as amended by the PPA Side Letter Agreement dated January 10, 2012, and further amended by the Consent, Acknowledgement and Agreement dated December 19, 2019.

WHEREAS, the PPA, granted Seller rights to install, finance, own and operate nine (9) electricity grid-connected photovoltaic, solar power plants ("Generating Facilities") located at "Sites" owned by Purchaser, as described in **Schedule 1 and Schedule 2 to Exhibit "A"** attached hereto and incorporated herein by reference.

WHEREAS, in accordance with and as defined in the PPA, Seller agreed to sell to Purchaser and Purchaser agreed to purchase from Seller, all of the Energy Output generated by the Generating Facilities.

WHEREAS, pursuant to the PPA, the Seller entered into a solar power system operations and maintenance agreement ("O&M Agreement") with MaxGen Energy Services (formerly True South Renewables, Inc.) ("O&M Contractor"). The Seller also executed an asset management agreement ("AM Agreement") with PsomasFMG, LLC ("AM Contractor," and collectively with the O&M Contractor, the "Contractors").

WHEREAS, on December 19, 2012, the Purchaser, Seller, and BA Leasing BSC, LLC ("BAL") further entered into that certain Consent, Acknowledgement and Agreement ("Consent"), to acknowledge BAL's acquisition through sale-leaseback financing of the Generating Facilities. The Consent also explicitly amended portions of the PPA, including the method for determining the purchase price of the Generating Facilities.

WHEREAS, an "Early Buyout Option" exists pursuant to Article XIII of the PPA whereby Seller grants to Purchaser the option to terminate the PPA and purchase all of the Generating Facilities at the seventh (7th) anniversary date of the Commercial Operation Date which is October 8, 2019 (hereinafter the "Termination Date") pursuant to the terms of the PPA, and as further agreed to by the Parties; and

WHEREAS, Purchaser has communicated by written notice to Seller from Purchaser's counsel its desire and intent to terminate the PPA and to exercise Purchaser's respective Early Buyout Option under the PPA on the same business day that the Parties agree shall constitute the Termination Date under the PPA in order to purchase all of the Generating Facilities from Seller pursuant to the terms of the PPA; and

WHEREAS, the Parties desire to enter into this Agreement to provide for the actions to be taken by the respective Parties on and before the Termination Date to effect the sale and transfer to Purchaser of the Generating Facilities at all Sites and termination of the PPA in accordance with Article XIII of the PPA on such Termination Date.

NOW THEREFORE, in consideration of the promises and the mutual benefits from the covenants hereinafter set forth, and those contained in Article XIII of the PPA, Seller and Purchaser agree as follows:

AGREEMENT

1. **Sale and Purchase of the Generating Facilities.** Subject to the terms and conditions set forth herein, and those contained in Article XIII of the PPA, Seller hereby agrees to sell, transfer, and convey to Purchaser, and Purchaser agrees to purchase and acquire from Seller, all of the Generating Facilities at all of the Sites, as set forth in **Schedule 1 and Schedule 2 to Exhibit "A"** attached hereto and incorporated herein by this reference, on or before the Termination Date. In so doing, the rights, interests, and obligations in and to the Generating Facilities of Seller shall cease and shall become the rights and interests of Purchaser, except as otherwise provided in Section 6.2 of this Agreement.
2. **Purchase Price.** The Total Purchase Price for all of the Generating Facilities at all Sites shall be **TWENTY MILLION DOLLARS (\$20,000,000.00)**.
3. **Approval of Sale.** This Agreement shall be effective only upon the necessary action and approval of Seller and the governing board of Purchaser. Upon and with Purchaser's governing board's approval of this Agreement, Purchaser's governing board shall authorize a representative to execute and carry out this Agreement on Purchaser's behalf. Purchaser shall provide Seller with a copy of the official action adopted by Purchaser's governing board authorizing and approving the purchase of the Generating Facilities pursuant to Article XIII of the PPA and as provided in this Agreement.
4. **Responsibilities of the Parties and Conditions of Closing.** On or before the Termination Date, the respective obligations of Seller and Purchaser, pursuant to the terms of this Agreement, including without limitation to Purchaser's payment of the Total Purchase Price, are subject to satisfaction of the following conditions precedent (collectively "Closing"):
 - 4.1. **Financing.** This Agreement shall be conditioned and only effective upon Purchaser successfully obtaining the necessary financing to purchase from Seller the Generating Facilities for the Total Purchase Price set forth in Section 2 of this Agreement, on or before the Termination Date, unless otherwise agreed to in writing by the Parties.
 - 4.2. **Bill of Sale; Payment of Total Purchase Price.** Seller shall execute and deliver to Purchaser, and Purchaser shall accept, the Bill of Sale, in substantially the form of **Exhibit "A"**, attached hereto and incorporated herein by this reference, evidencing the passage of title to the Generating Facilities from Seller to Purchaser.
 - 4.3. **Abandonment of Easements.** Seller shall execute and deliver to Purchaser, and Purchaser shall accept, an instrument in recordable form regarding the abandonment of the grants of non-exclusive easement ("Solar Site Easement Agreements") for each and every Site, in substantially the form of **Exhibit "B"**, attached hereto and incorporated herein by this reference. Purchaser shall record the Solar Site Easement Agreements within thirty (30) days following the Closing.
 - 4.4. **Assignment of Warranties.** Seller shall execute and deliver to Purchaser, and Purchaser shall accept, an assignment of warranties for the Generating Facilities, in substantially the form of **Exhibit "C"**, attached hereto and incorporated herein by this reference.
 - 4.5. **Monthly Power Payment Installments.** In accordance with and as defined in the PPA, Purchaser agrees to make all Energy Payments for any and all Energy Output that the Generating Facilities produce through the Termination Date. Within five (5) business days of the Termination Date, Seller agrees to provide Purchaser an invoice for remaining Energy Payments in accordance with Section 10.1 of the PPA, including a prorated accounting of all Energy Output produced by the Generating Facilities between and including October 1, 2019 and the Termination Date.
 - 4.6. **Buy Out of Lease Financing by Seller.** This Agreement shall be conditioned and only effective upon Seller successfully buying out the existing interest currently held by BAL on or before the date of Closing. Seller shall provide Purchaser with written notice of completion of the buy out on or before the date of Closing.

- 4.7. **Deposit of Purchase Price.** This Agreement shall be conditioned and only effective upon Purchaser successfully depositing the full amount of the Total Purchase Price via wire transfer to Seller, pursuant to wiring instructions provided by Seller, on or before the date of Closing. Shall the buy out required under Section 4.6 above not occur on or before the date of Closing, Seller shall promptly, and no later than three (3) business days, return the Purchase Price funds to Purchaser until such time the Parties can agree on an alternate date for Closing.
5. **Acceptance and Assumption.** Immediately upon the occurrence of the Closing and without any further action by Seller or Purchaser, Purchaser accepts and assumes all duties, obligations, liabilities and responsibilities with respect to the operation and maintenance of the Generating Facilities, including but not limited to permits, licenses, insurance, expenses, and any approvals required for the interconnection, operation, and maintenance of the system .
6. **Termination of the PPA and Related Agreements.**
- 6.1. **PPA and Related Agreements.** Immediately upon the occurrence of the Closing and without any further action by Seller or Purchaser, the PPA shall terminate, except for those provisions that must survive termination under Section 2.5 of the PPA ("Survival"). The O&M Agreement and the Asset Management Agreement will also terminate upon Closing, and Seller has provided advance notice to Contractors of such termination.
- 6.2. **PPA Survival Provisions.** The Parties acknowledge and agree that nothing in this Agreement is intended, or shall be construed, to have any effect on any provision of the PPA that expressly or by implication comes into or remains in full force following the termination or expiration of the PPA in accordance with Section 2.5 of the PPA, as applicable; or any provision of the O&M Agreement or AM Agreement relating to the PPA that survives any such termination in accordance with the respective terms of the O&M Agreement or AM Agreement.
- 6.3. **Failure to Close.** Notwithstanding anything in this Agreement to the contrary, in the event that the Closing does not take place on or before October 8, 2019, or on a delayed closing date as otherwise agreed to in writing by the Parties, this Agreement shall be of no further force and effect and the PPA, the O&M Agreement, AM Agreement, and all other related agreements shall remain in full force and effect in accordance with their respective terms.
7. **Fees and Expenses.** Seller and Purchaser shall each be responsible for its own fees and expenses incurred in connection with the transaction contemplated by this Agreement.
8. **Entire Agreement of Parties.** This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written, related to the subject matter of this Agreement. This Agreement may be amended or modified only by a written instrument executed by the Parties.
9. **California Law.** This Agreement shall be governed by, and the rights, duties, and obligations of the Parties shall be determined and enforced in accordance with, the laws of the State of California.
10. **Disputes.** Any actions or proceedings arising under, growing out of, or in any way related to this Agreement shall be instituted and prosecuted only in courts located in the County of Los Angeles, State of California.
- 10.1. **Attorneys' Fees.** The prevailing Party in any action or proceeding brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with such an action or proceeding from the other Party.
11. **Waiver.** No waiver by any Party of any provision of this Agreement shall be considered a waiver of any other provision or of any subsequent breach of the same or any other provision, including the time for performance of

any such provision. The exercise by a Party of any remedy provided in this Agreement or at law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or at law or in equity.

12. **Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns.
13. **Counterparts.** This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.
14. **Section Headings and Captions.** The section headings and/or captions contained in this Agreement are for convenience only and shall not in any way affect the meaning or interpretation hereof nor serve as evidence of the interpretation hereof, or of the intention of the Parties hereto.
15. **Severability.** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions hereof unenforceable, invalid, or illegal.
16. **Incorporation of Recitals and Exhibits.** The Recitals and any exhibit attached hereto are hereby incorporated herein by reference.
17. **Further Assurances.** Seller, from time to time, at the written request and expense of Purchaser, shall execute and deliver any further acknowledgments, agreements or instruments of assignment, transfer or assurance, and do any and all further acts and things, as may be necessary or appropriate in the opinion of Purchaser and acceptable to Seller, to give effect to the provisions of this Agreement and to more perfectly confirm the rights and interests sold, assigned, and transferred to Purchaser pursuant to this Agreement.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the Effective Date:

PURCHASER:

Dated: _____, 20____

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT,
a California public school district

By: _____

Print Name: _____

Print Title: _____

SELLER:

Dated: October 8 2019

HSD SOLAR HOLDINGS, LLC,
a California limited liability company

By: 

Print Name: Christopher S. Jones

Print Title: President

EXHIBIT "A"

BILL OF SALE

THIS BILL OF SALE is executed as of this _____ day of _____, 20____ ("Effective Date") by and between HSD SOLAR HOLDINGS, LLC, a California limited liability company ("Seller"); and William S. Hart Union High School District, a California public school district ("Purchaser").

- A. Seller is the owner of those certain electricity grid-connected photovoltaic, solar power plants, described in **Schedule 1 and Schedule 2** attached hereto and incorporated herein by this reference ("Generating Facilities"), respectively located at the following sites owned by Purchaser:
- Canyon High School, 19300 West Nadal Street, Canyon Country, CA 91351;
 - Golden Valley High School, 27051 Robert C. Lee Pkwy, Santa Clarita, CA 91321;
 - La Mesa Junior High School, 26623 May Way, Santa Clarita, CA 91351;
 - Rancho Pico Junior High School, 26250 W. Valencia Blvd., Stevenson Ranch, CA 91381;
 - Rio Norte Junior High, 28771 Rio Norte Drive, Santa Clarita, CA 91355;
 - Saugus High School, 21900 Centurion Way, Santa Clarita, CA 91350;
 - Sierra Vista Junior High School, 19425 West Stillmore Street, Santa Clarita, CA 91351;
 - Valencia High School, 27801 North Dickason Drive, Santa Clarita, CA 91355; and
 - West Ranch High School, 26255 Valencia Blvd., Stevenson Ranch, CA 91381.
- B. Purchaser and Seller have entered into an Agreement for the Purchase and Sale of Solar Power Generating Facilities, dated _____, 20____, for Seller's sale and Purchaser's purchase of the Generating Facilities ("Agreement").
- C. In implementation of the Agreement, Seller desires to transfer to Purchaser, and Purchaser desires to accept from Seller, all of Seller's interests and rights in and to the Generating Facilities.
- D. The transfer contained herein is made "as is, where is," with all faults, without any representation or warranty whatsoever on behalf of Seller.

IN CONSIDERATION OF THE FOREGOING, and for other good and valuable consideration, Seller hereby grants, transfers, and conveys to Purchaser, and Purchaser accepts conveyance of, all of Seller's interests and rights in and to the Generating Facilities. Seller and Purchaser hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Bill of Sale.

[Signatures on the Following Page]

PURCHASER:

Dated: _____, 20__

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT,
a California public school district

By: _____

Print Name: _____

Print Title: _____

SELLER:

Dated: _____, 20__

HSD SOLAR HOLDINGS, LLC,
a California limited liability company

By: _____

Print Name: _____

Print Title: _____

SCHEDULE 1 TO BILL OF SALE

Description of the Sites of the Generating Facilities

Schedule 1 to Exhibit A:

Description of the Sites of the Generating Facilities

	PREMISES	LOCATION	APN	DESCRIPTION
1	CANYON HIGH SCHOOL	19300 WEST NADAL STREET, CANYON COUNTRY, CA 91351	2802-001-910	LOT COM AT INTERSECTION OF N AND S C/L OF SEC 17 T 4N R 15W WITH SE LINE OF NADEL ST TH NE ON SD SE LINE AND SW ON NW LINE OF WHITES CANYON RD TO NE LINE OF LAND DESC IN DOC NO 3673, 4- SE 1/4 OF LOT 17
2	GOLDEN VALLEY HIGH SCHOOL	27051 ROBERT C. LEE PKWY, SANTA CLARITA, CA 91321	2836-013-917 / 2836-013-915 / 2836-013-914	POR N 1/2 OF S 1/2 OF SEC 30 T4N R15W
3	LA MESA JUNIOR HIGH SCHOOL	26623 MAY WAY, SANTA CLARITA, CA 91351	2864-001-901 / 2864-001-900	FOR DESC SEE ASSESSOR'S MAPS POR OF NW 1/4 OF SEC 29 T4N R15W
4	RANCHO PICO JUNIOR HIGH SCHOOL	26250 W VALENCIA BLVD., STEVENSON RANCH, CA 91381	2826-009-903 / 2826-009-904	P M 188-90-95 FOR DESC SEE ASSESSOR'S MAPS POR OF LOT 5
5	RIO NORTE JUNIOR HIGH	28771 RIO NORTE DRIVE, SANTA CLARITA, CA 91355	2810-001-903 / 2810-113-075	L S 27-32-39 LAND DESC AS PAR 1 IN DOC 2362276,030815 POR OF LOT 7
6	SAUGUS HIGH SCHOOL	21900 CENTURION WAY, SANTA CLARITA, CA 91350	2808-021-900 / 2808-021-902 / 2808-021-003	RANCHO SAN FRANCISCO 37.67 MORE OR LESS ACS COM AT INTERSECTION OF NE LINE OF RANCHO SAN FRANCISCO WITH NW LINE OF BOUQUET CANYON RD PER CSB438-2 TH NW ON SD NE LINE 2184.92 FT TH S 53 32'25" W THEREON TO BEG
7	SIERRA VISTA JUNIOR HIGH SCHOOL (1)	19425 WEST STILLMORE STREET, SANTA CLARITA, CA 91351	2803-004-900	23.36 MORE OR LESS ACS BD W BY CAMP PLENTY RD N BY PLEASANTDALE ST E BY WHITES CANYON RD AND S BY STILLMORE ST PART OF NE 1/4 OF LOT 20
8	SIERRA VISTA JUNIOR HIGH SCHOOL (2)	19425 WEST STILLMORE STREET, SANTA CLARITA,	2803-004-900	23.36 MORE OR LESS ACS BD W BY CAMP PLENTY RD

		CA 91351		N BY PLEASANTDALE ST E BY WHITES CANYON RD AND S BY STILLMORE ST PART OF NE 1/4 OF LOT 20
9	VALENCIA HIGH SCHOOL	27801 NORTH DICKASON DRIVE, SANTA CLARITA, CA 91355	2810-002-903	L S 27-32-39 FOR DESC SEE ASSESSOR'S MAPS POR OF LOT 8
10	WEST RANCH HIGH SCHOOL	26255 VALENCIA BLVD., STEVENSON RANCH, CA 91381	2826-009-902	P M 188-90-95 FOR DESC SEE ASSESSOR'S MAPS POR OF LOT 5

SCHEDULE 2 TO BILL OF SALE

William S. Hart Equipment List

EXHIBIT "B"

FORM OF ABANDONMENT OF NON-EXCLUSIVE EASEMENT FOR POWER GENERATING FACILITIES

THE ABANDONMENT OF EASEMENTS SHALL BE SUBSTANTIALLY SIMILAR TO THE ATTACHED FORM

Recorded at the request of:
William S. Hart Union High School District

After recording return to:
William S. Hart Union High School District

Attn: _____

With a copy to: _____

Attn: _____

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE ONLY

ABANDONMENT OF NON-EXCLUSIVE EASEMENT FOR POWER GENERATING FACILITIES

This document is exempt from a recording fee
pursuant to Government Code section 6103.

This Abandonment of Non-Exclusive Easement for Power Generating Facilities ("Abandonment of Easement"), dated for purposes of identification only as of _____, 20__ ("Date of Abandonment of Easement"), is made by and between William S. Hart Union High School District, a California public school district ("District"), HSD SOLAR HOLDINGS, LLC ("Seller"). District and Seller may be referred to herein individually as "Party" and collectively referred to herein as "Parties."

WITNESSETH:

WHEREAS, District and Seller were parties to a Solar Services Contract ("PPA") for the construction, installation, operation, and maintenance of an electricity grid-connected photovoltaic solar power plant ("Generating Facilities") at real estate and improvements owned in fee simple title by District ("School Parcel"); and

WHEREAS, in connection with the PPA for the Generating Facilities, District granted to Seller that certain non-exclusive easement over the School Parcel, dated as of _____, 20__, recorded as Instrument No. _____, Official Records of Los Angeles County ("Generating Facilities Easement"); and

WHEREAS, District has exercised its right to an Early Buyout Option of the Generating Facilities provided in the PPA and the Parties have executed an Agreement for the Purchase and Sale of Solar Power Generating Facilities, dated _____, 20__, the terms of which call for, and the Parties desire with this Abandonment of Easement, the Generating Facilities Easement to be terminated ("Terminating Event") and this Abandonment of Easement to be recorded; and

WHEREAS, District gave notice to Seller of its intent to record this Abandonment of Easement within thirty (30) days after providing said notice to Seller, and District recorded this Abandonment of Easement within thirty (30) days of providing said notice to Seller.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions contained herein, District and Seller agree as follows:

1. **Abandonment of Easement.** The **Generating Facilities Easement**, dated as of _____, 20__, by and between District and Seller and recorded in the Official Records of Los Angeles County on _____, 20__, as Instrument No. _____ is hereby abandoned.
2. **Counterparts.** This Abandonment of Easement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, taken together, shall constitute one and the same Termination of Easement.
3. **Interpretation and Governing Law.** This Abandonment of Easement shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Abandonment of Easement as of the Date of Abandonment of Easement set forth above.

Dated: _____, 20__

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT,
a California public school district

By: _____

Print Name: _____

Print Title: _____

Dated: _____, 20__

HSD SOLAR HOLDINGS, LLC,
a California limited liability company

By: _____

Print Name: _____

Print Title: _____

CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "C"

ASSIGNMENT OF WARRANTIES

THE ASSIGNMENT OF WARRANTIES SHALL BE SUBSTANTIALLY SIMILAR TO THE ATTACHED FORM

ASSIGNMENT OF WARRANTIES

Dated as of _____, 20__

For value received, HSD Solar Holdings, LLC, a California limited liability company (referred to herein as "Seller or as "Assignor"), in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, receipt whereof is hereby acknowledged, does hereby assign and transfer to the William S. Hart Union High School District, a California public school district (referred to herein individually as the "District" or as "Assignee"), all of Assignor's rights and interests in, to, and under the **Contractor Warranty** (as defined in the PPA, defined below) and any and all other warranties which are still in existence relating to the Generating Facilities as defined in the PPA, including all associated documentation (the "Assigned Warranties").

This Assignment of Warranties arises from a solar services contract ("PPA") entered into by and between Assignor and Assignee on February 16, 2011. This Assignment of Warranties is entered into pursuant to [INSERT] of the PPA and for purposes of the Assignee's buyout of the Generating Facilities under Section [x] of the PPA. [Parties to insert further information based on active warranties under the PPA at the time of Closing.]

The assignment and transfer of the Assigned Warranties, as herein provided, is absolute and irrevocable, and without recourse to Assignor.

Capitalized terms used, but not defined, in this Assignment of Warranties shall have the same meaning as when such terms are used in the PPA. This Assignment of Warranties shall be construed in accordance with and governed by the Constitution and laws of the State of California.

This Assignment of Warranties is dated as of the date set forth above.

HSD SOLAR HOLDINGS, LLC,
a California limited liability company

By: _____

Print Name: _____

Print Title: _____

Acceptance of Assignment of Warranties

The undersigned, William S. Hart Union High School District, a California public school district, as Assignee under the foregoing Assignment of Warranties, does hereby accept the foregoing assignment of the Assigned Warranties as therein provided.

Dated: _____, 20____

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT,
a California public school district

By: _____

Print Name: _____

Print Title: _____

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