

EARLY PURCHASE OPTION

UNDERSTANDING THE OPTION

Customers have entered into a prepaid lease agreement with Participate Energy. Our goal is to provide customers the option to purchase the system before the end of the term ("Early Purchase Option").

Customers can exercise this voluntary option to purchase beginning after the sixth (6th) anniversary of the System Installation Date. To take advantage of the Early Purchase Option, customers must provide a minimum 30 day, and not more than 90 day, notice to Participate Energy.

HOW THE PURCHASE PRICE IS CALCULATED

At the time of the customer's inquiry, the system will be assessed to determine the fair market value (FMV). To determine the customer's final balance, the current FMV will be offset by the value of any remaining offsetting obligations owed to the customer.

- This calculation may result in a zero or low incremental cost to purchase, but the balance will never be less than \$0.00.
- If the customer does not agree with the FMV assessment:
 1. Customer may request a 3rd party appraisal at Participate Energy's cost.
 2. Customer may continue with the lease as-is and opt to revisit the buyout in the future.



WHEN CAN THIS OPTION BE EXERCISED?

There is no obligation for the customer to purchase the system; however, the option may be exercised at the following times:

1. On the 6-year anniversary of lease term, and on any anniversary after that.
2. When the home is sold any time after year 6.
A home sale does not require a buyout. The lease can be freely transferred to the new owner, however the option to buyout exists.

POST-PURCHASE TRANSITION

Once the purchase is complete the customer owns the system and our responsibilities under the lease agreement will terminate; however, any remaining workmanship warranties from the installer remain in place and will transfer to the customer as the new owner of the system.

EARLY PURCHASE OPTION

6TH YEAR ANNIVERSARY

FAIR MARKET VALUE

An estimate of the dollar amount that a typical buyer would pay for the system at that time.

OFFSETTING OBLIGATIONS

The remaining unused prepaid lease value and the value of any offsetting obligations owed to the customer through the end of the term.

YEAR 6 PURCHASE

The customer may purchase the system at a cost of FMV minus the value of offsetting obligations at a payment no less than \$0.



POST
PURCHASE →

CUSTOMER OWNS THE SYSTEM
AND GETS ALL AVAILABLE GRID
SERVICES REVENUE AND RETAINS
100% CONTROL OF THE SYSTEM

CONSUMED VALUE

CREDITED VALUE = UNUSED PREPAID LEASE VALUE + OFFSETTING OBLIGATIONS

YEAR 0 VALUE

YEAR 6 BUYOUT

10 OR 25 YEAR PLAN

24%
CONSUMED

FMV AT YEAR 6
MINUS OFFSETTING OBLIGATIONS

\$ = UNUSED PREPAID LEASE VALUE

\$ = FUTURE INSURANCE + RISK

\$ = FUTURE END OF TERM REMOVAL

\$ = FUTURE MONITORING + MAINTENANCE

PATH TO
100%
OWNED

\$0 (OR LOW) INCREMENTAL PAYMENT