



NEW JERSEY REALTORS® ADDENDUM REGARDING SOLAR PANEL SYSTEMS

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This Addendum is attached to and made a part of the New Jersey REALTORS® Standard Form of Real Estate Sales Contract, Form 118 (the "Contract"). If this Addendum conflicts with the Contract, then this Addendum shall control.

(A) The following definitions shall apply in this Addendum:

1. "PPA" shall mean a Power Purchase Agreement, or other financing arrangement, between the Seller and a Solar Panel System provider which obligates the Seller to make periodic payments to the Solar Panel System provider in order to acquire ownership of the Solar Panel System.
2. "Solar Panel" shall mean a panel designed to absorb the sunlight as a source of energy for generating electricity or heating.
3. "Solar Panel System" shall mean the Solar Panels, any and all inverters, net meter, wiring, roof supports and any other equipment necessary to operate the Solar Panels now installed at the Property.
4. "SREC", or solar renewable energy certificate, shall mean a certificate issued by the New Jersey Board of Public Utilities or its designee, which represents one megawatt-hour (MWh) of solar energy that is generated by a facility connected to the electric distribution system in New Jersey, and has value based upon, and driven by, the energy market, and as further described in *N.J.A.C. 14:8-2.1, et seq.*
5. "TREC", or transition renewable energy certificate, shall mean a certificate issued pursuant to the TREC Program by the New Jersey Board of Public Utilities or its designee, which represents one megawatt-hour (MWh) of solar energy that is generated by a facility that is connected to the electric distribution system in New Jersey, and has a value established by New Jersey Board of Public Utilities as set forth in *N.J.A.C. 14:8-10.5.*
6. "TREC Program" shall mean the economic incentive program established by the New Jersey Board of Public Utilities intended to replace the SREC program that terminated for new applicants on April 30, 2020. The TREC Program is described in *N.J.A.C. 14:8-10.1, et seq.*
7. "SREC II", or solar renewable energy certificate II, shall mean a certificate issued by the New Jersey Board of Public Utilities or its designee pursuant to the Successor Program, for each megawatt-hour (MWh) of solar energy that is generated by a facility that is connected to the electric distribution system in New Jersey. The SREC II value is determined administratively by the New Jersey Board of Public Utilities pursuant to the Successor Program.
8. "Successor Program" shall mean the economic incentive program established by the New Jersey Board of Public Utilities intended to replace the TREC Program that terminated for new applicants on August 27, 2021. The Successor Program is described in the New Jersey Board of Public Utilities Order dated July 28, 2021, Docket No. QO20020184.

(B) Seller represents to Buyer that the Property is serviced by a Solar Panel System (as hereinafter defined) that was installed on _____. Seller further represents that: SRECs ☐ are available, or ☐ are not available, TRECs ☐ are available, or ☐ are not available, and SREC IIs ☐ are available, or ☐ are not available. To the extent either SRECs, TRECs, or SREC IIs are available, eligibility for receiving such RECs will expire on _____. Seller and Buyer recognize, acknowledge and agree that Brokers are not qualified to provide advice on solar panel systems, including but not limited to cost, insurability, operation, SREC/TREC/SREC II eligibility, value or transferability. Seller and Buyer are instructed to consult with independent legal counsel and other qualified licensed professionals to assist with regard to such issues.

(C) ☐ Seller represents that Seller owns the Solar Panel System and:

1. ☐ The Solar Panel System is included in the sale and will remain on the Property, subject to the provisions of Subsection G below.
2. ☐ The Solar Panel System is not included in the sale and will be removed by Seller at Seller's sole cost and expense prior to Closing, subject to the provisions of Subsection H below.

(D) ☐ Seller represents that (i) the Solar Panel System is the subject of a PPA, (ii) the current periodic payments under the PPA are \$_____ per ☐ month or ☐ quarter, and (iii) the PPA ends on _____ ("PPA End Date"). ☐ If checked, Seller further represents that there is a balloon payment that will become due on or before the PPA End Date in the amount of \$_____. The parties agree that (choose one):

1. ☐ At Closing, Buyer shall assume the Seller's obligations under the PPA including any and all periodic payments not due and payable as of the Closing. Seller represents that Seller is not in default of the PPA and has complied with all of Seller's obligations thereunder. Buyer agrees to apply for approval from the Solar Panel System provider for Buyer to assume all of the Seller's obligations under the PPA and to release Seller from any and all obligations under the PPA. Buyer understands and acknowledges that the Solar Panel System provider may check Buyer's credit and may require that Buyer have a credit score commensurate with what the Solar Panel System provider deems acceptable. If Buyer is granted permission to assume the PPA, then (i) at Closing, Seller will assign to Buyer, and Buyer will assume, all of Seller's rights and obligations under the PPA, (ii) Buyer will be solely responsible for all payments due under the PPA from and after Closing, and (iii) Seller will be solely responsible for all payments due prior to Closing. Any payments due under the PPA for the month in which the Closing takes place shall be adjusted at Closing. If (i) Buyer is denied permission to assume the PPA from the Solar Panel System provider, or (ii) the Solar Panel System provider does not agree to release Seller, or (iii) the Contract is contingent upon Buyer obtaining a mortgage and Buyer's mortgage lender



does not consent to Buyer's assumption of the PPA, or (iv) Buyer rejects the terms of the PPA or other documentation provided by Seller in accordance with Paragraph F below within five (5) days of Buyer's receipt of such documents, then Seller or Buyer may terminate this Contract, unless Seller and Buyer agree to proceed under either subsection 2 or 3 below. This provision shall survive the Closing.

2. ☐ Seller agrees to (i) pay off or otherwise obtain cancellation of the PPA as of the Closing, and (ii) to include the Solar Panel System in the sale of the Property, subject to the provisions of Subsection G below.
3. ☐ Seller agrees to (i) pay off or otherwise obtain cancellation of the PPA as of the Closing, and (ii) remove the Solar Panel System from the Property at Seller's sole cost and expense prior to Closing, subject to the provisions of Subsection H below.

(E) ☐ Seller represents that (i) the Solar Panel System is the subject of a lease agreement, (ii) the current periodic lease payments are \$ _____ per ☐ month or ☐ quarter, and (iii) the lease ends on _____. The Parties agree that (choose one):

1. ☐ At Closing, Buyer shall assume all of Seller's rights and obligations under the lease, including any and all lease payments not due and payable as of the Closing. Seller represents that Seller is not in default of the lease and has complied with all of Seller's obligations under the lease. Buyer agrees to apply for approval from the lessor to assume the lease. Buyer will apply at Buyer's expense to lessor and furnish lessor with any and all information requested, for permission to assume the lease and to release Seller from any and all obligations under the lease. Buyer understands and acknowledges that lessor may check Buyer's credit and may require that Buyer have a credit score commensurate with what the lessor deems acceptable. If Buyer is granted permission by lessor to assume the lease, then (i) at Closing, Seller will assign to Buyer, and Buyer will assume, all of Seller's rights and obligations under the lease, including any rights or obligations with respect to SRECs under the Lease, (ii) Buyer will be solely responsible for all payments due under the lease from and after Closing, and (iii) Seller will be solely responsible for all payments due prior to Closing. Any payments due under the lease for the month in which the Closing takes place shall be adjusted at Closing. If (i) Buyer is denied permission from the lessor to assume the lease, or (ii) the lessor does not agree to release Seller, or (iii) the Contract is contingent upon Buyer obtaining a mortgage and Buyer's mortgage lender does not consent to Buyer's assumption of the lease, or (iv) Buyer rejects the terms of the lease or other documentation provided by Seller in accordance with Paragraph F below within five (5) days of Buyer's receipt of such documents, then Seller or Buyer may terminate this Contract, unless Seller and Buyer agree to proceed under subsection 2 below. This provision shall survive the Closing.
2. ☐ Seller shall (i) obtain an early termination of the lease prior to Closing at Seller's sole cost and expense, and (ii) remove the Solar Panel System at Seller's sole cost and expense prior to Closing, subject to the provisions of Subsection H below.

(F) Within five (5) days of the execution of the Contract, Seller agrees to provide Buyer with any and all documents relating to the Solar Panel System in Seller's possession or control including, but not limited to, any PPA or lease. Buyer shall have the right to review such documents.

(G) If the Solar Panel System is included in the sale and will remain on the Property pursuant to this Addendum, then the following provisions shall apply:

1. Unless Buyer assumes payment of any lien or encumbrance on the Property that relates to the Solar Panel System, Seller shall cause any such lien or encumbrance to be satisfied and discharged of record at Seller's sole cost and expense at or before Closing. At Closing, Seller may use a portion of the Purchase Price for this purpose.
2. Seller shall transfer to Buyer all of Seller's right, title and interest in and to the Solar Panel System at Closing, including but not limited to all SRECs that accrue from and after the Closing whether or not the electricity from the Solar Panel System is generated before or after Closing. Seller may sell any SRECs that have accrued in full prior to Closing. If Seller has not sold any SRECs to which Seller is entitled as of the Closing, however, then all such SRECs shall be the sole property of Buyer following Closing.
3. Seller shall transfer any and all warranties in and to the Solar Panel System to Buyer at Closing.
4. Seller shall provide Buyer with copies of any and all manuals in Seller's possession regarding the Solar Panel System.
5. Buyer shall be permitted to have the Solar Panel System inspected in accordance with the provisions contained in Paragraph 16 of the Contract.

(H) If the Solar Panel System is not included in the sale and is to be removed by Seller prior to Closing at Seller's sole cost and expense pursuant to this Addendum, then Seller shall repair any damage to the Property caused by the Solar Panel System and/or the removal of the Solar Panel System. Prior to Closing, Buyer shall have the right to inspect the Property after the Solar Panel System is removed.

(signature page to follow)

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119 **WITNESS:**
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122 _____
123 BUYER
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Date
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126 _____
127 BUYER
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Date
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130 _____
131 BUYER
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Date
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134 _____
135 SELLER
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Date
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138 _____
139 SELLER
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Date
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142 _____
143 SELLER
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Date
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146 _____
147 SELLER
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Date
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