

**On Bill Finance
Solar Projects
Utility Payment Bond**
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Bond Number: _____
Annual Premium: _____

KNOW ALL MEN BY THESE PRESENTS, that we, _____
as Principal ("Principal") and _____
as Surety ("Surety") are held and firmly bound unto _____
as Obligee ("Obligee") in the penal amount of \$ _____ (\$ _____),
lawful money of the United States of America for the payment of which amount Principal and Surety bind themselves, their successors, executors, administrators and assigns, jointly and severally firmly by these presents

WHEREAS, the said Principal has entered into an On Bill Finance Agreement titled _____
_____ ("Agreement") dated _____ for the following utility account:

Instructions: Enter the full name and description of the utility account

WHEREAS, as a condition of said Agreement, the Principal is required to file security to guarantee the payment of the monthly utility bill, inclusive of both the cost of utility services and repayment of the On Bill financing.

NOW, THEREFORE THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall comply with the conditions of the Agreement as referenced above, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, THAT THIS BOND IS EXECUTED BY THE PRINCIPAL AND SURETY AND ACCEPTED BY THE OBLIGEE SUBJECT TO THE FOLLOWING EXPRESS CONDITIONS:

- 1) This bond is effective as of the date executed and shall be continuous without amendment until canceled or exonerated.
- 2) This bond is automatically cancelled, and Surety exonerated, when the obligations of the Principal under the On Bill Financing Agreement have been fulfilled, or the On Bill Financing Agreement terminated by mutual consent of Obligee and Principal.
- 3) That this bond may be cancelled by Surety by 60 days' prior notice in writing from Surety to Principal and to Obligee that the Surety elects not to renew this bond for any such additional period.
- 4) Any notice of cancellation must be delivered to Obligee by registered or certified mail, unless the Obligee has acknowledged receipt of cancellation notice by email, addressed to:

Instructions: enter obligee address.

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- 5) Such termination or cancellation shall not affect any liability incurred or accrued under this bond prior to the effective date of such termination or cancellation. It is understood and agreed that the Obligee may recover the full amount of the bond (less any previous amounts paid to Obligee under the bond) up to the remaining balance outstanding if Surety cancels or nonrenews the bond and, within thirty (30) days prior to the effective date of cancellation or nonrenewal, Obligee has not received a financial guarantee acceptable to replace the bond.
- 6) The obligation of Surety shall arise when Principal is notified to cure a default, with concurrent notice to Surety, and Principal does not cure the default within the timeframe required under the Agreement, such cure period not to exceed 30 days.
 - a) The Surety's obligation under this Bond shall arise after:
 - i) The Obligee has notified the Principal and the Surety that the Obligee is declaring a Principal Default and communicated with the Principal and the Surety for payment under the Agreement. If the Obligee, the Principal and the Surety agree, the Principal shall be allowed a reasonable time to make payment under the Agreement, but such an agreement shall not waive the Obligee's right, if any, subsequently to declare a Principal Default, and
 - ii) The Obligee has declared a Principal Default and formally terminated the Principal's right under the Agreement. Such Principal Default shall not be declared earlier than Thirty days (30) after the Principal and the Surety have received notice, and
 - iii) The Obligee has agreed to pay the future amounts due to Principal for solar energy generated under the Agreement to the Surety in accordance with the terms of the Agreement.
- 7) When the Obligee has satisfied the conditions of Paragraph 6, the Surety shall promptly and at the Surety's expense take one of the following actions:
 - a) Arrange for the Principal to make payments under the Agreement.
 - b) Make payments itself to bring account current, and maintain payments through its agents or through independent entities. Surety payments can be monthly per the Agreement, or the surety may elect to pay off the remaining balance and terminate the Agreement.
 - c) Within 90 days provide Obligee with either a termination of the Agreement after satisfying outstanding obligation, request an extension while making payments, or request to transfer the Agreement to a new entity. Such transfer to new entity subject to Obligee consent.
- 8) In the event the surety assumes the liability for payments under the Agreement, and makes payment to the Obligee, the surety has the right, at its sole discretion, to:
 - a) Dispose of, or sell, the assets financed under the Agreement, with no further energy produced that would result in payments by the Obligee.
 - b) Negotiate with potential entities to assume the assets and liability under the Agreement.
 - c) With consent of Obligee transfer the assets to other entities, with ongoing energy being produced that would result in payments by the Obligee to the new owner of the assets.

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- 9) The Surety shall not be liable to the Obligee for obligations of the Principal that are unrelated to the Agreement, and the ongoing amounts due Principal for energy generated under the Agreement shall not be reduced or set off on account of any such unrelated obligations.
- 10) No right of action shall accrue under this bond to or for the use or benefit of anyone other than the named Obligee or its successors or assigns.
- 11) No assignment by the Principal shall be effective without the written consent of the surety.
- 12) All suits or actions on this bond must be brought within Ninety (90) days of the termination of the Agreement or Bond, whichever shall occur first.
- 13) If any conflict or inconsistency exists between the Surety's obligations as described in the Bond and as described in the underlying Agreement, then the terms of the Bond shall prevail.
- 14) No modification of the Agreement guaranteed by this bond shall be binding on the Surety or covered by this bond without the written consent of the Surety.
- 15) This bond shall not bind the surety unless the bond is accepted by the Obligee. The acknowledgment and acceptance of such bond is demonstrated by signing where indicated below. If this obligation is not accepted by way of signature of the Obligee below, this bond shall be deemed null and void.
- 16) Regardless of the number of years this bond is in force, Surety shall not be liable hereunder for a larger amount, in the aggregate, than the Maximum Amount listed above.
- 17) This Bond shall be governed by and construed in accordance with the laws of the state of _____
_____.

SIGNED, SEALED AND DATED this ____ day of _____, _____.

Principal

By:

Surety

By:
Attorney-in-fact

The above terms and conditions of this bond have been reviewed and accepted by _____, the Obligee.

Acknowledged and Accepted:

By: _____

Printed Name: _____

Title: _____

Date: _____