

## MEMORANDUM OF OPTION

**THIS MEMORANDUM OF OPTION**, made as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between:

Public Service Electric and Gas Company (“**Lender**”) a New Jersey corporation, having an address at 80 Park Plaza, Newark, New Jersey 07102, and

\_\_\_\_\_ (“**Borrower**”), a \_\_\_\_\_ of the State of \_\_\_\_\_ located at \_\_\_\_\_.

1. Loan Agreement. Lender and Borrower have entered into a Solar Program Loan Agreement (“**Loan Agreement**”), the terms and conditions of which are incorporated herein as though set forth in full, for a term of fifteen (15) years (“**Term**”), the purpose of which is to provide partial financing (“**Loan**”) to Borrower for the design, purchase and installation of a solar-powered generation system (“**Project**”) at Borrower’s facility, certain real property located in the \_\_\_\_\_ of \_\_\_\_\_, County of \_\_\_\_\_, State of New Jersey, more particularly described in Exhibit "A" attached hereto (“**Facility**”).

2. Lender’s Call Option. The Project generates Solar Renewable Energy Certificates (“**SRECs**”), as described in the Loan Agreement. Borrower grants to Lender an option to purchase up to 100% of the SRECs created by the continued operation of the Project until the Term expires (“**Lender’s Call Option**”). It is the intention of the parties that the Lender’s Call Option is independent of the Loan, and that even if the Loan is repaid in full before the end of the Term, the Lender’s Call Option will survive until the expiration of the Term. The complete details of the Lender’s Call Option are fully described in the Loan Agreement.

3. Survival of Lender’s Call Option: It is the intention of the parties that the Lender’s Call Option remain in effect for the entirety of the Term notwithstanding any sale by the Borrower of either the equipment comprising the Project (“**Project Equipment**”) (alone or in connection with a sale of the Facility) or a change in the location of the Project Equipment. This is irrespective of any right that the Borrower may have to dispose of the Project Equipment after the Loan has been repaid and such Project Equipment is no longer part of the Loan collateral.

4. Purpose and Intention. This Memorandum of Option is executed for the purpose of recordation in the Office of the \_\_\_\_\_ County Clerk/Register in order to give notice of certain of the terms of the Lender’s Call Option and is not intended, and shall not be construed, to define, limit or modify either the Lender’s Call Option or the Loan Agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Memorandum of Agreement as of the day and year first above written.

LENDER:

By: \_\_\_\_\_

Its: \_\_\_\_\_

BORROWER:

By: \_\_\_\_\_

Its: \_\_\_\_\_

State of New Jersey )  
 ) ss.  
County of \_\_\_\_\_ )

On \_\_\_\_\_, 200\_\_\_\_, before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the persons, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

\_\_\_\_\_  
Signature of Notary

State of New Jersey )  
 ) ss.  
County of \_\_\_\_\_ )

On \_\_\_\_\_, 200\_\_\_\_, before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the persons, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

\_\_\_\_\_  
Signature of Notary

RECORD AND RETURN TO:

**EXHIBIT "A"**  
**DESCRIPTION OF REAL PROPERTY**