**Fair Market Value End-of-Lease Companion Agreement**

SAMPLE NON PROFIT is a SAMPLE STATE nonprofit organization, operating as a 501(c)(3) tax-exempt charity, committed to PROVIDING HOUSING SERVICES AND BUILDING AND SUSTAINING AFFORDABLE HOMES AND HEALTHY NEIGHBORHOODS. As part of this mission, SAMPLE NON PROFIT is installing and operating solar arrays to enable homeowners to receive the benefits of solar installations on their homes, via a solar equipment lease and services agreement (“Lease”).

Via the Lease dated the same date as this Agreement, you (the Homeowner) provide to SAMPLE NON PROFIT access to your roof and your electric meter. SAMPLE NON PROFIT will pay for the construction of the system and will own and operate the solar array for the Lease term. At any time after the first six (6) full years of system operation, you will have the right to purchase the solar array from SAMPLE NON PROFIT, at which point the solar installation will become your property and be considered an improvement on your home.

Your payment for purchasing the solar array will be at “Fair Market Value” at the time of transfer, a requirement of the Internal Revenue Service rules related to the solar tax credit, in exchange for SAMPLE NON PROFIT paying for, constructing, and operating the system for at least the first five years of the Lease.

How much will “Fair Market Value” be?

Unfortunately, under the tax credit rules, SAMPLE NON PROFIT cannot provide a specific Fair Market Value of the installation until the time you take ownership at the end of the Lease. However, SAMPLE NON PROFIT can use a Fair Market Value formula that is based on the resale value of your system. Because the cost of removal of a system is often greater than the resale value of the system, this Fair Market Value is likely to be very low, and SAMPLE NON PROFIT is willing to cap the total amount at no more than five percent (5%) of the total original cost of the system. The actual Fair Market Value may even be $0.

Will you have to pay the “Fair Market Value” to buy the system?

SAMPLE NON PROFIT is prepared to help cover the solar array purchase price at Fair Market Value as described in your Lease agreement, which may be through a grant or similar donation, or through a low-interest loan.

IN WITNESS WHEREOF, the Parties signing below agree to be bound by this Companion Agreement, in addition to the terms and conditions of the Solar Lease dated the same day:

SAMPLE NON PROFIT Homeowner

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

Print: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Print: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Property Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_