

**SunPower Self-Generation Incentive Program
LETTER OF INTENT**

This non-binding Letter of Intent (this “LOI”) is made effective as of [_____] (the “Effective Date”), by and between Contra Costa County, a political subdivision of the State of California, (“Customer”) and SunPower Corporation, Systems, a Delaware corporation (“SunPower”). Each of Customer and SunPower are referred to herein as a “Party”, and together, the “Parties”.

RECITALS

1. The Parties plan to pursue development of energy storage systems described in Exhibit A (Storage Systems) at the Customer sites listed in Exhibit A (collectively, the “Potential Project”).
2. The Parties are entering into discussions concerning the Potential Project, including the negotiation of a Battery Services Agreement substantially in the form attached hereto as Exhibit B (“BSA”), and amendments to certain Power Purchase & Storage Services Agreements between Customer and an affiliate of SunPower (“PPA”) pursuant to which SunPower’s affiliate would supply, and the Customer would purchase, battery storage services produced by the Potential Project. The BSA and PPA documents and any other documents required to consummate the Potential Project are referred to as the “Definitive Documentation”.
3. The Parties understand that to move forward with the Potential Project, Customer must secure from Pacific Gas & Electric Company (the “Utility”) an incentive through the Utility’s Self Generation Incentive Program, payable to SunPower or its affiliate in an amount no less than \$5,505,025 (the “SGIP Incentive”), and that securing the SGIP Incentive will require SunPower depositing an amount equal to \$275,251 (the “SGIP Deposit”) with the Utility.
4. The Parties understand that additional negotiations, due diligence and evaluation of and with respect to the Potential Project will be required, and that neither Party will be bound to proceed with the Potential Project unless and until the Definitive Documentation is executed. However, to facilitate further negotiations and submission of application materials for the SGIP Incentives, the Parties desire to set forth certain understandings they have reached to date with respect to the Potential Project.

NOW, THEREFORE, for consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows.

ARTICLE 1. COOPERATION

1. In consideration of the time, effort and expense that both Parties will devote to the project development contemplated by this LOI, both Parties agree to cooperate and work in earnest with the other Party with the aim of negotiating and potentially executing the Definitive Documentation.

ARTICLE 2. EFFECT OF THIS LOI

1. This LOI does not constitute a legally binding agreement, except to the extent provided in Section 3 of this Article 2 and in Article 4 below. This LOI does not constitute a legally binding offer or agreement to consummate the Proposed Project or to execute Definitive Documentation. This LOI shall not constitute the basis for an agreement by estoppel or otherwise.
2. The Parties hereby agree that this LOI is intended as a statement of the Parties' good faith, mutual intent and understanding as of the date hereof to proceed with the negotiation of the terms of the Proposed Project and the Definitive Documentation. Except as otherwise set forth in Section 3 of this Article 2 and in Article 4 below, unless and until the Definitive Documentation has been duly authorized, executed and delivered by the Parties, no Party shall have any legal obligations to the other, expressed or implied, or arising in any other manner under this LOI or in the course of negotiations as contemplated by this LOI.
3. Notwithstanding Sections 1 and 2 of Article 2 above, (i) the Customer's obligation under Article 4 below to reimburse SunPower for 100% of the SGIP Deposit shall bind the Customer and shall survive the termination of this LOI, (ii) Article 5 shall bind the Parties for one (1) year from the date of this LOI and shall survive the termination of this LOI, and (iii) Article 6 shall bind the Parties indefinitely and shall survive the termination of this LOI.

ARTICLE 3. SGIP APPLICATION

1. Customer will promptly provide SunPower and its representatives with all information required to submit application materials for the SGIP Incentive.
2. SunPower will promptly compile and submit all required documentation and materials, including the SGIP Deposit, to the Utility, in order to obtain the SGIP Incentive for the Potential Project.

ARTICLE 4. REIMBURSEMENT OF COSTS

1. Customer agrees to promptly reimburse SunPower 100% of the SGIP Deposit if all of the following occur: (i) the Utility SGIP program administrator(s) issues a Conditional Reservation with respect to the SGIP Incentive for the Potential Project, (ii) Customer and SunPower are unable to execute the Definitive Documentation within three (3) months of the issuance by the SGIP program administrator(s) of such Conditional Reservation, and (iii) Customer fails to cooperate with SunPower to secure a refund of the SGIP Deposit from the Utility including executing a SGIP deposit refund request and/or other related documents requested by the SGIP program administrator(s) to effectuate such refund.
2. In the event Customer is obligated to reimburse SunPower under Section 1 of this Article 4, SunPower will promptly issue Customer an invoice showing the amount of the SGIP Deposit deposited with the Utility by SunPower (the "Reimbursable Amount"), and Customer will within thirty (30) days of receipt of such invoice send a check for the Reimbursable Amount to the payee and address provided below:

Payee: SunPower Corporation, Systems
Address: 1414 Harbour Way S
Richmond CA, 94804
Attn: Ian Creelman

ARTICLE 5. CONFIDENTIALITY

1. No public announcement (whether in the form of a press release or otherwise) shall be made by or on behalf of either Party or their agents or representatives with respect to the subject matter of this LOI unless (i) the other Party has agreed in writing to permit such public announcement to be made, which permission shall not be unreasonably withheld; or (ii) such public announcement is required by law, government rules and regulations, or requirements of any applicable stock exchange, and the Party required to make such announcement has given prior written notice thereof to the other Party. The text of any public announcement made as permitted under this Section 1 shall be mutually and reasonably agreed upon by the Parties. SunPower hereby consents to Customer publicly noticing consideration of approval of this LOI on an agenda of Customer's Board of Supervisors.
2. Each Party shall treat as confidential information disclosed to it by the other Party pursuant to this LOI or otherwise in furtherance of the Proposed Project and which the receiving Party reasonably should understand is confidential ("Confidential Information"); *provided, however*, that the following information shall not be considered Confidential Information: (i) information that at the time of disclosure or acquisition was publicly available or later became publicly available other than by breach of this Article, (ii) information that at the time of disclosure or acquisition was already known to the recipient; or (iii) information that after disclosure or acquisition was received from a third party. This LOI is not Confidential Information.
3. Except as otherwise expressly provided herein, neither Party shall, unless authorized in writing by the other Party to do so: (i) copy, reproduce, distribute or disclose to any person, firm, entity, or corporation any of the Confidential Information, or any facts related thereto; (ii) permit any third party to have access to such Confidential Information; or (iii) use such Confidential Information for any purpose other than for the purpose of evaluating or otherwise furthering the Potential Project.
4. Notwithstanding the foregoing, each Party may disclose Confidential Information to its employees, officers, board members, contractors, consultants, attorneys, accountants and other persons involved in assisting such Party in connection with the due diligence, evaluation and negotiation of the Proposed Project, *provided that* such representatives are informed of the requirements of this paragraph and agree to hold the Confidential Information in confidence in accordance with this LOI.
5. If a Party who has received Confidential Information from the other Party is requested in any judicial or government administrative proceeding or required by law to disclose such Confidential Information, the receiving Party shall give the providing Party prompt notice of such request so that the providing Party may seek an appropriate protective order. If, in the absence of a protective order, the receiving Party is nonetheless advised by counsel that disclosure of the Confidential Information is required (after exhausting any appeal requested by the providing Party at the providing Party's expense), the receiving Party may disclose such Confidential Information without liability hereunder.
6. Each Party shall, upon written request of the other Party: (1) return all Confidential Information furnished to it by the other Party or the other Party's representatives, together with any copies thereof, and (2) destroy all notes, memoranda and other materials that incorporate such Confidential Information; *provided, however*, that each Party may retain any analysis or work product that are not summaries or extracts of Confidential Information. *Provided, however*, that copies of Confidential Information that are automatically generated through data backup and/or

archiving systems and which are not readily accessible by receiving Party's business personnel, and copies retained to comply with regulatory recordkeeping requirements or internal recordkeeping policies or procedures shall not be deemed to violate this Agreement, so long as such copies are not disclosed in violation of the terms of this Agreement.

7. Neither Party makes any representation or warranty, express or implied, pursuant to this LOI regarding the accuracy or completeness of the Confidential Information it discloses; *provided that* the foregoing is not intended, nor shall it be constructed, to limit or otherwise affect any representation or warranty that may be made by a Party in any Definitive Documentation with respect to the accuracy or completeness of any Confidential Information.
8. Each Party acknowledges that any disclosure or misappropriation of Confidential Information by such Party in violation of this LOI could cause the other Party or its affiliates irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Therefore each Party agrees that the non-breaching Party shall have the right to apply to any court of competent jurisdiction for a restraining order or an injunction restraining or enjoining any breach or threatened breach of this LOI and for any other equitable relief that such non-breaching Party deems appropriate. Subject to Article 6, this right shall be in addition to any other remedy available to the Parties in law or equity.

ARTICLE 6. MISCELLANEOUS

- 1. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS REPRESENTATIVES FOR ANY SPECIAL, INDIRECT, NON-COMPENSATORY, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY TYPE, INCLUDING LOST PROFITS, LOSS OF BUSINESS OPPORTUNITY OR BUSINESS INTERRUPTIONS WHETHER ARISING IN CONTRACT OR TORT (INCLUDING NEGLIGENCE, WHETHER SOLE, JOINT OR CONCURRENT OR STRICT LIABILITY) OR OTHERWISE, ARISING OUT OF THIS LOI OR THE FAILURE TO EXECUTE DEFINITIVE DOCUMENTATION. IN NO EVENT SHALL THIS SECTION LIMIT CUSTOMER'S OBLIGATION TO REIMBURSE SUNPOWER PURSUANT TO ARTICLE 4.**
2. This LOI is intended for the benefit of the Parties hereto, is not intended to, and does not confer any benefit on third parties.
3. This LOI shall be governed by the laws of the State of California without regard to its conflicts of laws principles. The exclusive jurisdiction and venue for any and all actions arising out of or brought under this LOI shall be any federal or state court located in Santa Clara County, California.
4. This LOI may be executed in counterparts, each of which shall have the effect of and be considered as an original of this LOI.
5. This LOI may not be modified or amended except in writing signed by authorized representatives of both Parties.

The Parties have caused this LOI to be executed by their duly authorized representatives on the Effective Date.

CONTRA COSTA COUNTY

By: _____
Name:
Title:

SUNPOWER CORPORATION, SYSTEMS

By: _____
Name:
Title:

EXHIBIT A
Storage Systems Description

Project Site	Energy Storage System Capacity	Battery Type / Mfr.	Guaranteed Savings (\$/Year)
1000 Ward, Martinez, CA	964 kWh increase	MegaPack / Tesla	\$7,000
1305 MacDonald Avenue, Richmond, CA	182 kW / 928 kWh	PowerPack / Tesla	\$7,000
4549 Delta Fair Blvd., Antioch, CA	184 kW / 928 kWh	PowerPack / Tesla	\$8,500
4545 Delta Fair Blvd., Antioch CA	163 kW / 928 kWh	PowerPack / Tesla	\$7,574
5555 Giant Hwy., Richmond CA	490kW/2093kWh	MegaPack / Tesla	\$43,600

EXHIBIT B
Form of Battery Services Agreement

See attached.