



**Execution Page
LAKE REGION ELECTRIC COOPERATIVE
COMMUNITY SOLAR AGREEMENT**

This Community Solar Agreement (this "Agreement") is made and entered into as of _____, 20____, by and between Lake Region Electric Cooperative ("LREC"), whose mailing address is PO Box 643 Pelican Rapids, MN 56572, and the customer identified as follows ("Customer"):

Customer Name: _____
 Service Address: _____
 City: _____
 State: _____
 Zip Code: _____
 Account #: _____

Amount Purchased (Section 1.2)

of full panels _____
 # of half panels _____

Consideration (Section 2)

- A one-time payment of \$1400 for kWh output for each full panel wanted.
- EASY-PAY** Full Panel - \$40 per month for 35 months.
- A one-time payment of \$700 for kWh output from one half panel.
- EASY-PAY** Half Panel - \$20 per month for 35 months.

Your signature below indicates acceptance of the attached terms and conditions of the Community Solar Agreement.

LAKE REGION ELECTRIC COOPERATIVE

CUSTOMER

By: _____
 Name: _____
 Title: _____

By: _____
 Print: _____

Complete, sign and return this Execution Page to LREC. Retain a copy of the full agreement for your records.

Office Use Only	
# Full Panels _____	\$1,400 = _____
# Half Panels _____	\$700 = _____
CK # _____	Total _____

Lake Region Electric Cooperative Community Solar Agreement

1. Community Solar Participation.

1.1. Eligible Participants. The program is open to all LREC members.

Customer agrees to purchase partial solar output from the HQ Prairie Solar project located at the LREC headquarters facility (the "Solar Farm"). LREC agrees to provide a monthly Production Credits as described in Section 4 for the watts of the capacity above ("Customer's Allocated Capacity"). The Solar Farm will be owned, operated, maintained, and insured by LREC's affiliate, Lake Region Electric Solar Solutions, LLC ("Solar Farm Owner").

Customer is not allowed to purchase more than the ten (10) panels or the equivalent of their average annual usage, whichever is smaller. (The annual average output of each panel is expected to produce 583 kilowatt hours per year).

1.2. Environmental Attributes. Customer's Pro Rata Share of all Environmental Attributes acquired by LREC from Solar Farm Owner shall be transferred by LREC to Customer. Customer's Pro Rata Share will be determined by dividing Customer's Allocated Capacity by the total kW capacity of the Solar Farm.

"Environmental Attributes" means any and all rights, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the environmental or renewable characteristics or attributes of the Solar Farm or the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water, which are deemed of value by LREC, in each case now or hereafter created or recognized by any governmental authority or independent certification association or entity generally recognized in the electric power generation industry and generated by or associated with the Solar Farm. Environmental Attributes do not include (i) Production Tax Credits (PTC), Investment Tax Credits (ITC) or any other local, state or federal depreciation deductions or other tax credits, allowances, reductions or incentives existing now or in the future associated with the construction, ownership or operation of, or energy production from, any portions of the Solar Farm.

2. **Consideration**. As consideration for Customer's right to receive Production Credits pursuant to this Agreement. Payment is based on the number of full and half panels Section 1.

In the event the facility is not completed, Customer will be refunded the full amount.

3. **Term**. This Agreement shall be effective on the in-service date for the Solar Farm, and will continue for a period of 20 years (the "Term"), subject to early termination as provided in this Agreement.

4. **Solar Energy Credit**. During the Term, Customer will receive a Production Credit (calculated as provided below) for Customer's Allocated Capacity as a credit on the monthly invoices for electric service provided by LREC to the Service Address.

The Production Credit for Customer's Allocated Capacity applied to each monthly invoice will be determined calculating the product of the Customer's Allocated Capacity divided by the total nameplate capacity of the Solar Farm, then multiplied by the total kWh of electric energy delivered by the Solar Farm in the prior calendar month.

Net Energy Consumed (Actual energy consumed less the Production Credit as calculated above) will be billed by LREC at the prevailing retail rate.

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Production Credits will only be applied to a Customer's bill in a month where there is kilowatt hour usage. In the event the Customer does not have kilowatt hour usage for a month, the Production credits will accumulate and be applied in future months when there is kilowatt hour usage. If there are twelve consecutive months of no kilowatt hour usage, the credits will be forfeited.

Customer agrees that LREC's sole obligation with respect to payments to Customer shall be to apply Production Credits as a credit on Customer's invoice for electric service provided by LREC to the Service Address, according to the conditions of this Agreement. In no event shall LREC have an obligation to pay cash or other consideration for accumulated, unused Production Credits.

5. **Repurchase.** In LREC's sole discretion, LREC may, at any time and from time to time, elect to repurchase all or any portion of Customer's Allocated Capacity and the associated rights to receive Production Credits, and Customer is obligated to sell such Allocated Capacity and associated rights to LREC pursuant to the terms of this Section 5. LREC will not exercise its option to repurchase the Customer's Allocated Capacity for the purpose of capturing current or future economic advantages attributable to the Customer's Allocated Capacity. Such repurchase will occur as follows:

- A. LREC will notify Customer of LREC's election to exercise its repurchase right and the kW amount of Customer's Allocated Capacity and associated rights to receive Production Credits being repurchased (the "Repurchase Notice").
- B. The purchase price for each kW of Customer's Allocated Capacity will be equal to the Allocated Capacity Fee minus an amount equal to the product of the number of years this Agreement has been in effect multiplied by five percent (5%) for those customers who have elected the one-time payment option in Section 2. Therefore, after this Agreement has been in effect for 20 years, the repurchase price will be \$0.
- C. LREC will repurchase the kW amount of Customer's Allocated Capacity identified in the Repurchase Notice within 30 days after sending such Repurchase Notice by sending payment to Customer in an amount equal to the sum of (a) the repurchase price as calculated in clause (B), plus (b) any earned Production Credits with respect to the amount of kW of Customer's Allocated Capacity being repurchased not yet credited to the invoice for the Service Address. On receipt by Customer of the payment provided in this Section 5 C., (i) Customer's right to receive Production Credits with respect to the amount of kW of Customer's Allocated Capacity so repurchased will terminate, and (ii) LREC will have no further obligation to Customer with regard to such Production Credits.

This Agreement will terminate effective upon repurchase by LREC of all of Customer's Allocated Capacity and associated rights to receive Production Credits.

Customer does not have the right to require LREC to repurchase all or any portion of the rights to receive Production Credits associated with Customer's Allocated Capacity. Any request by Customer that Cooperative repurchase Production Credits associated with Customer's Allocated Capacity shall be governed by Section 7.

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6. **Additional Agreements.** The parties further acknowledge and agree that:

- 6.1. Customer will not have access to the Solar Farm for any purpose. Customer will have no ownership, possession right or control of the Solar Farm, and will have no rights or obligations with respect to the maintenance or operation of the Solar Farm. This Agreement does not convey to Customer any right, title or interest in or to any portion of any property (tangible or intangible, real or personal) underlying or comprising any portion of the Solar Farm.
- 6.2. Customer is not relying on any representation, warranty or promise with respect to the Lake Region's Community Solar Program or the Solar Farm made by or on behalf of the LREC, except to the extent specifically stated in this Agreement. CUSTOMER ACKNOWLEDGES AND AGREES THAT THE SOLAR FARM IS BEING USED IN THE LAKE REGION COMMUNITY SOLAR PROGRAM AS IS, WHERE IS, AND WITHOUT WARRANTY. ANY WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.
- 6.3. Nothing in this Agreement shall be deemed to alter or modify any rate, charge, term or condition of the electric service provided by LREC to Customer or to modify in any way Customer's rights and obligations as a member of LREC. All of LREC's rates, charges, terms and conditions of electric service shall remain subject to change in accordance with applicable law at any time.

7. **Transfer/Assignment.** Customer may request that LREC: (a) permit Customer to change the Service Address for which the Production Credits (accrued and future Production Credits) will apply to another Service Address within LREC's service territory for which Customer is obligated to pay LREC for electric service, or (b) permit Customer to assign only future Production Credits with this Agreement to another individual or entity provided such assignee's Service Address is located within LREC's service territory; provided in either event the assignee qualifies based on terms and conditions of this agreement and executes an agreement similar to this Agreement. Customer must notify LREC of such proposed change or assignment in writing at least 30 days prior to the proposed effective date of such change or assignment, which notice must include:

1. Customer's name and mailing address;
2. The current Service Address;
3. The new Service Address (if applicable);
4. The name of the individual or entity to whom Customer is requesting to assign this Agreement (if applicable) and the consideration (if any) proposed to be provided to Customer for such assignment; and
5. The proposed effective date of such proposed change or assignment.

LREC may, in connection with its consideration of such a request, elect, in its sole discretion, to repurchase all or any portion of Customer's Allocated Capacity and associated rights to receive Production Credits as provided in Section 5.

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LREC's determination as to whether to repurchase all or any portion of Customer's Allocated Capacity and associated lights to receive Solar Energy Production credits or consent to any proposed change of Service Address or assignment of this Agreement shall be made in accordance with the then current Lake Region Community Solar Program policies as established by LREC's board of directors from time to time.

Upon any assignment of this Agreement pursuant to this Section 7, the Customer will surrender all right, title and interest in and to this Agreement. No assignment will extend the Term of this Agreement.

Except as provided above in this Section 7, Customer may not assign, gift, bequeath or otherwise transfer any of its rights or obligations under this Agreement to any other individual or entity for any purpose, including without limitation as security for any debt or obligation. Any attempted assignment in violation of this Section 7 shall be null and void.

8. **Notices.** All notices, requests, consents, and other communications to a party under this Agreement must be in writing, delivered to the mailing address for such party stated above, and will be deemed delivered upon the earlier of (a) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid, or (b) the following business day after being delivered to a reputable overnight courier service.

9. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, whether oral or written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

10. **Governing Law/Jurisdiction/Venue.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Minnesota, without regard to the principles of conflicts of laws thereof. The parties acknowledge and agree that a court of competent jurisdiction located in Otter Tail County, Minnesota shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement.