

CITY OF NORTHFIELD
SOLAR GARDEN SUBSCRIPTION AGREEMENT

This Solar Garden Subscription Agreement for Commercial Subscribers (“**Agreement**”) is entered into as of _____ (the “**Effective Date**”) by and between MN Community Solar L.L.C., with a principal place of business located at 475 Cleveland Ave N, Ste. 222 St. Paul, MN 55104 (“**MNCS**”), and City of Northfield (the “**Subscriber**”) (individually, a “**Party**” and collectively, the “**Parties**”).

RECITALS

A. MNCS is a developer and operator of solar (photovoltaic) electric generation facilities qualified as “Community Solar Gardens” (“**CSG**”) pursuant to Minn. Stat. § 216B.1641. MNCS desires to enter into a standard contract to participate in the Xcel Solar*Rewards Community Program (the “**CSG Contract**”) with Northern States Power Company, a subsidiary of Xcel Energy, Inc. (collectively with any successor in interest “**Xcel**”).

B. Subscriber is a customer of Xcel (Subscriber’s Premise No. is See Exhibit G (“**Premises**”) and Subscriber’s Account No. is See Exhibit G, and Subscriber is located within Rice County, Minnesota, with a general service address of See Exhibit G (“**Service Address**”).

C. MNCS intends to develop, operate, and maintain a CSG in the same or an adjacent county of Subscriber’s Service Address (the “**Project**”). The Project will be located at the following address 9803 NW 16th, Waseca MN 56093.

D. Subscriber desires to become a subscriber in the Project by making monthly payments to MNCS in consideration for the Percentage Allocation (as defined in Section 2(b)) and the corresponding Bill Credits (as defined in Section 2(c)) that Xcel will apply to Subscriber’s Xcel electric utility bill on a continuing basis for a period of twenty-five (25) years from the “Commercial Operation Date” (as defined in Section 2(a)) (the “**Term**”).

E. Subscriber’s average annual energy consumption over the twenty-four (24) month period prior to the Effective Date at the Service Address is 1,275,000 kWh Subscriber’s contact information is:

Mailing Address:	<u>801 Washington Street, Northfield MN 55057</u>
Email Address:	<u>ben.martig@ci.northfield.mn.us</u>
Phone Number:	<u>507-545-3009</u>

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the mutuality, adequacy, and sufficiency of which are hereby acknowledged, the Parties agree as follows:

GENERAL TERMS AND CONDITIONS

1. OPERATION OF THE PROJECT; DISCLOSURES.

a. Development of the Project. MNCS shall construct, develop, operate, insure, and maintain the Project in good working order during the Term so as to deliver all energy generated by the Project to Xcel in accordance with the CSG Contract.

b. Disputes. MNCS shall be solely responsible for resolving any disputes with Xcel or Subscriber regarding the accuracy of the Project’s energy production. Xcel and Subscriber shall together be solely responsible for resolving any dispute regarding the Bill Credit Rate (as defined in Section 2(c)) that appears on Subscriber’s electric utility bill.

c. Supervision of Work. All installations, upgrades, and repairs of the Project shall be performed or supervised by a professional certified by the North American Board of Certified Energy Practitioners and performed in accordance with applicable law, insurance requirements, and industry

standards, including the recommendations of the manufacturers of solar panel modules and other operational components.

d. Disclosures. Prior to executing this Agreement, MNCS has provided the Subscriber with the following hardcopy or electronic disclosure information, and by executing this Agreement, Subscriber agrees that it has reviewed the following disclosure information in its entirety:

i. An estimate of the Project's projected energy production and a description of the methodology employed in calculating that estimate is attached hereto as Exhibit A.

ii. An explanation of the Subscriber's Data (as defined in Section 2(g)) that MNCS will share with Xcel and the Subscriber's Data Xcel will share with MNCS is provided by attachment or hyperlink in Exhibit B.

iii. Copies of Xcel's data-privacy policy and MNCS's data-privacy policy are attached or hyperlinked hereto as Exhibit C.

iv. A copy of the CSG Contract between MNCS and Xcel is attached or hyperlinked hereto as Exhibit D.

v. A copy of the solar panel module warranty for the solar panel modules installed or to be installed at the Project site is attached or hyperlinked hereto as Exhibit E.

vi. Proof of insurance and a demonstration of MNCS' long-term maintenance plan for the Project is attached or hyperlinked hereto as Exhibit F.

e. Questions or Comments. Should you have questions or comments, please feel free to contact MNCS using the contact information set forth in Section 13 of this Agreement, or on www.mncommunitysolar.com.

2. ELIGIBILITY; ALLOCATION, SALE, AND PURCHASE OF CREDITS.

a. Commercial Operation Date. MNCS shall promptly notify Subscriber of the date upon which the Project is authorized by Xcel to continuously generate and deliver the full "**Actual Project Capacity**" of electrical energy to the transmission system (the "**Commercial Operation Date**" or "COD").

b. Allocation. The capacity of the Project is estimated to be four thousand nine hundred (4900) kilowatts ("**kW**") direct current ("**DC**") (the "**Project Capacity**"). MNCS will allocate one thousand (1000) kW DC (the "**Kilowatt Allocation**") of the Project to Subscriber, which equals twenty and four-tenths percent (20.4 %) of the Project's Capacity (the "**Percentage Allocation**"). If the actual capacity of the Project is different than four thousand nine hundred kW DC, Subscriber's Percentage Allocation shall equal the (i) Subscriber's Kilowatt Allocation *divided by* (ii) the Actual Project Capacity of the Project provided that if such calculation would result in the Percentage Allocation to exceed forty percent (40%) then the Kilowatt Allocation will be reduced to the kW DC required to make the Percentage Allocation equal forty percent (40%).

c. Calculation of Credits. MNCS agrees to sell to Subscriber, and Subscriber agrees to purchase from MNCS, the Kilowatt Allocation for the entire Term, in consideration for monetary credits applied to Subscriber's monthly Xcel electric utility bill which shall offset the cost of electricity consumed that month by the Subscriber (the "**Bill Credits**"). The Bill Credits shall equal the product of (i) the Percentage Allocation, (ii) the number of Kilowatt Hours ("**kWhs**") of electrical energy the Project generates in the previous month, and (iii) the "Bill Credit Rate." The "**Bill Credit Rate**" for purposes of this Agreement shall equal the Enhanced Applicable Retail Rate for the General Service Customer Class as set forth in Section No. 9 of the Minnesota Electric Rate Book – MPUC No. 2 (the "**Tariff**") and as approved by the Minnesota Public Utilities Commission (the "**MPUC**"). The Bill Credit Rate is subject to and is expected to change throughout the Term of this Agreement. As of April 1, 2017, the Bill Credit Rate

shall equal \$0.12296 per kWh. Subscriber shall receive at least thirty (30) days' advance written notice of any Bill Credit Rate changes which occur after the Effective Date. An example of the Bill Credit Rate calculation is set forth in Exhibit A.

d. Bill Credit Exceptions. If the amount of Bill Credits exceeds the amount owed on Subscriber's Xcel electric utility bill in any billing period, that excess shall be governed by the CSG Contract or applicable law.

e. Environmental Attributes. Subscriber's purchase of the Kilowatt Allocation will not include benefits or derivatives of Renewable Energy Credits ("RECs") or green tags, carbon offset credits, rebates, unsubscribed electrical energy, tax credits, tax or environmental attributes associated with owning or operating the Project, or any other attributes of owning the Project (collectively "**Environmental Attributes**"). Subscriber acknowledges and agrees that all RECs and Environmental Attributes shall be retained by MNCS and that MNCS will be required to transfer ownership of all RECs to Xcel pursuant to the CSG Contract. All unsubscribed electrical energy generated by the Project shall be treated as unallocated and Xcel will purchase all unallocated energy from MNCS at the applicable Tariff rate. In addition, Subscriber agrees to reasonably cooperate with MNCS so that MNCS may claim any Environmental Attributes from the Project.

f. Subscriber Eligibility. Subscriber's eligibility to purchase the Kilowatt Allocation and receive Bill Credits is expressly conditioned upon Subscriber meeting the following criteria and any other criteria outlined by applicable law (the "**Subscriber Eligibility Criteria**"): (i) Subscriber must be an Xcel account holder (with the undersigned being the named or one of the named account holders); (ii) the Service Address must be located within the county or an adjacent county to where the Project is located; (iii) Subscriber's Percentage Allocation may not exceed forty percent (40%) of the Actual Project Capacity; (iv) Subscriber's Kilowatt Allocation, when combined with any distributed generation resources serving the Subscriber at the Service Address, cannot exceed one hundred and twenty percent (120%) of Subscriber's average annual energy usage for the prior twenty-four (24) months at the time of the Effective Date of this Agreement; (v) Subscriber's Kilowatt Allocation must be at least two-hundred (200) watts; and (vi) Subscriber must be deemed creditworthy by MNCS, in MNCS' sole and absolute discretion, at the time this Agreement is executed. Subscriber authorizes MNCS, or its designee, to obtain its credit report now and in the future, answer questions others may ask regarding Subscriber's credit and share Subscriber's credit information with MNCS' financing partners. Subscriber hereby certifies that all information Subscriber provided to MNCS in connection with checking Subscriber's credit will be true and understands that this information must be updated if Subscriber's financial condition changes. Should Subscriber be found to be in violation of the Subscriber Eligibility Criteria, this Agreement may be subject to termination by MNCS, Xcel, or a governmental authority having jurisdiction over the Xcel Solar*Rewards Community Program. In the event this Agreement is terminated for Subscriber's violation of any of the Subscriber Eligibility Criteria, Subscriber shall pay to MNCS an amount equal to the net present value of the remaining Monthly Subscription Payments discounted at an eight percent (8%) rate (using the termination date as the valuation date) ("**Eligible Early Termination Fee**"). MNCS shall use commercially reasonable efforts to mitigate damages caused by such early termination including by soliciting potential subscribers to replace the Subscriber and if MNCS is successful in obtaining a replacement subscription agreement then MNCS shall return to Subscriber the difference between (i) the Eligible Early Termination Fee and (ii) the net present value of the monthly subscription payments under the replacement subscription agreement discounted at an eight percent (8%) rate (using the termination date as the valuation date) less all reasonable costs incurred by MNCS in the process of acquiring such replacement subscription within sixty (60) days of executing a replacement subscription agreement.

g. Subscriber Data. To ensure Subscriber receives the appropriate Bill Credits, Subscriber agrees to allow MNCS to provide Xcel with the following information: the Kilowatt Allocation and Percentage Allocation, Subscriber's name, Subscriber's Xcel Premise Number and Account Number,

Subscriber's "automatic transfer of funds" information, and the Service Address (collectively "Subscriber's Data").

3. PRICE AND PAYMENT.

a. Monthly Subscription Payment. For the right to receive the Kilowatt Allocation and the corresponding Bill Credits applied to Subscriber's Xcel electric utility bill, Subscriber shall pay to MNCS the "**Monthly Subscription Payment**" for the entire Term. The Monthly Subscription Payment shall be calculated by applying the following formula:

i. First, MNCS shall calculate the "**Estimated Annual Subscription Payment.**" The Estimated Annual Subscription Payment shall equal the product of (i) the Percentage Allocation, (ii) the estimated number of kWhs of electrical energy the Project will generate in the coming calendar year and (iii) the "**Subscription Rate**" in effect for such calendar year. For the first year of this Agreement, the Subscription Rate shall mean an amount equal to the Enhanced Applicable Retail Rate (for General Service) at COD minus one and half cent (\$0.015). For a project with a COD of April 1, 2017 the Subscription Rate would have been \$0.10796 / kWh. For each calendar year thereafter, the Subscription Rate shall escalate annually at a compound rate of two percent (2.0%) per calendar year. Please see Exhibit A for additional information about the Estimated Annual Subscription Payment.

ii. Second, MNCS shall divide the Estimated Annual Subscription Payment by twelve (12) to determine the monthly payment that Subscriber will pay MNCS (the "**Monthly Subscription Payment**") during each monthly billing cycle.

b. Annual Reconciliation. Subscriber's Monthly Subscription Payment is subject to an annual reconciliation submitted by MNCS to Subscriber no later than forty-five (45) days after the end of each calendar year (each, an "**Annual Reconciliation**"). The "**Actual Annual Subscription Payment**" due for the prior calendar year (or portion thereof) shall equal the product of: (i) the Percentage Allocation, (ii) the actual number of kWhs the Project generated throughout such calendar year (or portion thereof), and (iii) Subscription Rate. The payment will occur within 30 days of the date Xcel issues payment for the surplus credits leftover in the subscriber's accounts.

i. If the Actual Annual Subscription Payment exceeds the sum of the Monthly Subscription Payments Subscriber previously paid MNCS, then Subscriber hereby agrees to pay MNCS an Annual Reconciliation payment equal to the difference of the Actual Annual Subscription Payment and the sum of the Monthly Subscription Payments Subscriber previously paid to MNCS.

ii. If the sum of the Monthly Subscription Payments Subscriber previously paid MNCS exceeds the Actual Annual Subscription Payment, then MNCS hereby agrees to pay to Subscriber an Annual Reconciliation payment equal to the difference of the sum of the Monthly Subscription Payments Subscriber previously paid to MNCS and the Actual Annual Subscription Payment.

iii. At the end of each calendar year, MNCS shall include with its final invoice a copy of the Xcel statement delivered to MNCS that indicates the number of kWhs MNCS used to calculate the Actual Annual Subscription Payment.

iv. In the event this Agreement is terminated resulting in a partial calendar year of service, a reconciliation shall be performed for such partial year in order to reflect the actual energy production from the Project for such partial year.

c. Invoicing. Commencing with the first day of the first calendar month following the Commercial Operation Date, MNCS shall invoice Subscriber for the calculated Monthly Subscription

Payment. Subscriber agrees to make its Monthly Subscription Payments and Annual Reconciliation payments through an “automatic transfer of funds” prior to the invoice due date. Any amounts not paid prior to the invoice due date will accrue interest at a rate of eight percent (8%) per annum (and if less than eight percent (8%) per annum, the maximum rate permitted by law) from the invoice due date until MNCS receives payment. Any amounts owing for any period following the Commercial Operation Date but prior to the first billing date shall be invoiced separately, on a one-time basis. MNCS agrees not to invoice Subscriber during Project outages lasting longer than twenty (20) consecutive days. MNCS shall provide written notice to Subscriber when it becomes aware that the Project is out of service for longer than two (2) consecutive days, which notice shall include an estimate of how long the outage will last and the estimated loss of electricity production.

d. Xcel and MNCS Adjustments. If, as a result of an Xcel billing adjustment for any billing period, the quantity of energy allocated to Subscriber by MNCS is changed, Subscriber and MNCS agree to reconcile the change in amount in good faith. MNCS does not guarantee, and Subscriber acknowledges that MNCS does not guarantee the amount of electrical energy the Project will produce or the monetary value of the Bill Credits.

4. ANNUAL REPORTS. Within sixty (60) days of each anniversary of the Commercial Operation Date until the expiration or earlier termination of this Agreement, MNCS shall provide Subscriber with an annual report describing the annual energy production of the Project for the prior year.

5. TAXES.

a. Subscriber shall be solely liable for all sales, use, or other similar taxes imposed by any governmental authority having jurisdiction over Subscriber and the Project, if any, and where such taxes are attributable to the sale of the Kilowatt Allocation to the Subscriber.

b. Subscriber shall have no interest in and have no entitlement to claim any RECs and/or Environmental Attribute, including but not limited to any investment tax credit or other tax benefits related to the ownership of the Project.

c. Subscriber acknowledges and agrees that MNCS and Xcel each individually make no representations concerning the taxable consequences to Subscriber of its purchase of the Kilowatt Allocation, the Bill Credits applied to Subscriber’s electric utility bill, or any other tax issues relating to Subscriber’s participation in the Project.

d. This Agreement shall be deemed a service agreement for tax purposes.

6. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

a. Mutual. Each Party represents, warrants, and covenants to the other Party:

i. The Party, if an entity, is duly organized, validly existing, and in good standing in the jurisdiction of its organization and is duly qualified to do business in the State of Minnesota;

ii. The Party has full legal capacity to enter into and perform this Agreement;

iii. To the best of each Party’s knowledge, there is no litigation, action, arbitration, proceeding, or investigation pending before any court or other governmental authority by, against, affecting, or involving its ability to carry out the transactions contemplated in this Agreement;

iv. The execution and delivery of this Agreement by such Party and the performance by such Party of its obligations hereunder do not and will not result in a breach of any of the terms, conditions, or provisions of, or constitute a default under any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement or understanding, or any

license, permit, franchise or certificate, to which such Party is a party or by which it is bound or to which its properties are subject;

v. This Agreement constitutes a legally valid and binding obligation enforceable against such Party in accordance with its terms; and

vi. Each Party is in good financial condition, there are no bankruptcy proceedings against it, no filings against it for involuntary bankruptcy, and it has no knowledge of any material legal and/or financial claims, issues, or proceedings against it that would have any adverse material effect on its financial condition.

b. MNCS. MNCS represents, warrants, and covenants to Subscriber:

i. MNCS has, or in the ordinary course will obtain, all licenses, permits, approvals, and any other required documents to develop, construct, and operate the Project;

ii. MNCS has sufficient funds dedicated for the projected operation and maintenance costs of the Project;

iii. MNCS will perform its obligations under this Agreement, the CSG Contract, and otherwise comply with all provisions of the Xcel Solar*Rewards Community Program and the Tariff in good faith and in accordance with industry standards; and

iv. MNCS agrees to protect Subscriber's Data and, except as may be required by this Agreement, law, regulation, or court order, or with Subscriber's consent, MNCS will not publicly disclose Subscriber's Data, energy usage data, or billing information, unless such disclosures are made to MNCS' financiers, lawyers, accountants, community partners, and agents of MNCS and only to the extent reasonably necessary.

c. Subscriber. Subscriber represents, warrants, and covenants to MNCS:

i. Subscriber is able to pay the Monthly Subscription Payment;

ii. Subscriber's Premise Number, Subscriber's Account Number, Subscriber's Service Address, and Subscriber's contact information contained in the Recitals of this Agreement are true, accurate, and complete;

iii. Subscriber agrees not to install or procure any other distributed generation resource(s) during the Term of this Agreement, without first paying the appropriate transfer or termination fee to MNCS set forth in Sections 7 and 8 of this Agreement;

iv. Subscriber will sign and deliver to MNCS the Xcel Solar*Rewards Community Subscriber Agency Agreement and Consent Form (a copy of which is attached hereto as Exhibit B) upon signing this Agreement or at any time as requested by MNCS. Upon execution, all of the information and statements of Subscriber provided therein will be true, accurate, and complete;

v. Subscriber acknowledges and agrees it will have no interest in or entitlement to benefits or derivatives of RECs, unsubscribed energy production, tax credits, or any other credit or cash flow associated with the Project aside from the Subscriber's Kilowatt Allocation and Bill Credits. Subscriber acknowledges and agrees that this Agreement is not a contract to sell or lease the Project;

vi. Subscriber understands and agrees it is acquiring the Kilowatt Allocation and Bill Credits for its own account and it will not assign, convey, transfer, resell, or otherwise distribute the Kilowatt Allocation and Bill Credits to another person or entity, except as provided in Section 8. Subscriber acknowledges and agrees it will not assign, convey, transfer, resell or otherwise dispose of the Kilowatt Allocation and Bill Credits in any manner that will violate any securities laws or regulations. Subscriber is

aware and understands that neither this Agreement nor any energy produced or Kilowatt Allocation purchased thereunder has been registered under any securities laws or regulations;

vii. Subscriber acknowledges and agrees that it has no defenses, set-offs, basis for withholding payments, counterclaims, or failure of performance claims against MNCS;

viii. Subscriber acknowledges and agrees that it has a valid real property interest in the Premises and the Service Address;

ix. Subscriber acknowledges and agrees Subscriber has been given the opportunity to ask questions and receive answers from MNCS concerning the terms of this Agreement and any other information necessary for Subscriber to evaluate the merits and risks of entering into this Agreement, including Subscriber's Kilowatt Allocation and/or Subscriber's Monthly Subscription Payment;

x. Subscriber acknowledges and agrees it is not relying on statements made by MNCS or any statements made by MNCS employees or agents with respect to any tax or other financial implications that may arise as a result of entering into or the implementation of this Agreement. Subscriber acknowledges and agrees that nothing in this Agreement or any other information provided by or on behalf of MNCS in connection with this Agreement constitutes legal, tax, or financial advice;

xi. Subscriber acknowledges and agrees it will promptly notify MNCS of any changes in Subscriber's Data; and

xii. Subscriber's "automatic transfer of funds information" provided to MNCS is true, accurate, and complete to enable Subscriber to automatically pay the Monthly Subscription Payment.

7. EARLY TERMINATION. Except as expressly allowed pursuant to this Section 7, Subscriber may not terminate this Agreement.

a. Termination Due to Ceasing as an Eligible Xcel Customer. If at any time Subscriber changes its Service Address to a location that does not meet the Subscriber Eligibility Criteria and as a result thereof ceases to be an Xcel customer eligible to purchase the Kilowatt Allocation and receive the Bill Credits from the Project, Subscriber may terminate this Agreement by providing no less than sixty (60) days' written notice to MNCS of Subscriber's intent to terminate, and by paying to MNCS an "**Ineligible Early Termination Fee**" of two hundred fifty dollars (\$250.00) multiplied by the Kilowatt Allocation. Reconciliation with Subscriber (in accordance with Section 3(b) above) will occur within sixty (60) days of the effective date of such termination. Upon Subscriber's notice of termination and following Subscriber's execution of any documents necessary to reflect such termination, including the assignment of Subscriber's Kilowatt Allocation to MNCS, MNCS shall terminate this Agreement and release Subscriber from any further obligations. Neither MNCS nor Xcel shall have any liability to Subscriber or be required to refund Subscriber any payments made under this Agreement.

b. Termination While Remaining An Eligible Customer. Subscriber may terminate this Agreement at any time by paying an Eligible Early Termination Fee. MNCS shall use commercially reasonable efforts to mitigate damages caused by such early termination including by soliciting potential subscribers to replace the Subscriber and if MNCS is successful in obtaining a replacement subscription agreement then MNCS shall return to Subscriber the difference between (i) the Eligible Early Termination Fee and (ii) the Net Present Value of the monthly subscription payments under the replacement subscription agreement discounted at an eight percent (8%) rate (using the termination date as the valuation date) less all reasonable costs incurred by MNCS in the process of acquiring such replacement subscription within 60 days of executing a replacement subscription agreement.

c. Termination Without Fee. In the event that the Commercial Operation Date is not achieved within twenty-four (24) months after the Effective Date of the Agreement or Xcel ceases to provide electrical service to Subscriber and the utility provider succeeding Xcel refuses to honor the Bill

Credits, either Party may terminate the Agreement, without liability, by providing the other Party with a written notice of termination. Subscriber may also terminate this Agreement without a fee if MNCS breaches, fails to perform, or fails to comply with any representation, warranty, obligation, covenant or agreement described in this Agreement and such failure continues for a period of forty-five (45) days after written notice thereof.

d. Mutual Termination. Subscriber and MNCS may agree to terminate this Agreement at any time only with the prior written consent of any Lender/Investor.

e. Notice to Lender/Investor; Additional Cure Right. Subscriber agrees to deliver to the Lender/Investor, concurrently with delivery to MNCS, a copy of each notice of termination given by Subscriber under this Agreement. No such notice shall be effective unless and until a copy of such notice has been delivered to the Lender/Investor. If such notice of termination is delivered pursuant to clause (c)(ii) of this Section 7, Lender/Investor shall have an additional period of thirty (30) days to cure the condition giving rise to such right of termination, and the obligations of the Parties shall remain in effect during such additional cure period. Any such cure by a Lender/Investor shall be deemed to be a cure by MNCS for all purposes under this Agreement.

8. TRANSFER; ASSIGNMENT. No Party may assign or transfer this Agreement except as follows:

a. Subscriber's Assignment or Transfer. This Agreement may be assigned or transferred in its entirety by Subscriber to any person or entity eligible to purchase Subscriber's Kilowatt Allocation from the Project upon the payment of an Assignment or Transfer Fee as described herein and after MNCS has provided its written approval thereof. Subscriber must provide MNCS with no less than sixty (60) days' written notice of Subscriber's request to assign or transfer this Agreement. MNCS shall then put forth all reasonable efforts to execute the assignment or transfer within the sixty (60) day period provided by Subscriber, but in no event shall MNCS be liable to Subscriber if it is unable to effectuate said assignment or transfer within the sixty (60) day period. Subscriber may only assign or transfer this Agreement to a party approved in advance by MNCS, and which MNCS may approve in its sole and absolute discretion, on the basis of (i) the Subscriber Eligibility Criteria, (ii) Subscriber's payment to MNCS of a five thousand dollar (\$5,000.00) "**Assignment or Transfer Fee,**" and (iii) Subscriber's payment to MNCS of all amounts due and owing to MNCS after reconciliation of the Monthly Subscription Payments for the period prior to the effective date of the assignment or transfer. Upon the execution of Subscriber's transfer request, neither MNCS nor Xcel shall have any liability to Subscriber or be required to refund Subscriber any money under this Agreement. Subscriber shall not profit from, or receive any payment as a result of, any assignment or transfer of this Agreement. The Parties agree this Agreement shall remain in full force and effect and automatically transfer without any fee to Subscriber's new Service Address in the event Subscriber's Service Address changes, provided Subscriber remains an Xcel customer that is eligible to participate in the Project under Minn. Stat. § 216B.1641 and Subscriber continues to satisfy the Subscriber Eligibility Criteria. Notwithstanding the foregoing, any successor in interest to Subscriber, by merger or acquisition, may assume this Agreement without payment of an Assignment or Transfer Fee, provided the successor in interest meets the Subscriber Eligibility Criteria.

b. Assignment and Transfer by MNCS. MNCS may (i) assign this Agreement to another person or entity, which thereafter would become responsible for developing, operating, and maintaining the applicable Project, and for otherwise carrying out the obligations of MNCS under this Agreement, (ii) transfer this Agreement to a different CSG project and/or (iii) collaterally assign this Agreement to a Lender/Investor. Subscriber's rights and obligations under this Agreement shall not be affected by any such assignment or transfer. In the event of any such assignment or transfer, updated disclosure information as provided in this Agreement Section 1 and the Exhibits attached hereto shall be provided to Subscriber.

Upon any such assignment or transfer (other than a collateral assignment to a Lender/Investor), MNCS shall be released from all future obligations under this Agreement.

9. DEFAULT.

- a. Events of Default. The following shall constitute an “**Event of Default**” by Subscriber:
- i. Subscriber fails to make any payment due under this Agreement and such failure continues for a period of forty-five (45) days;
 - ii. Subscriber breaches, fails to perform, or fails to comply with any representation, warranty, obligation, covenant or agreement described in this Agreement and such failure continues for a period of forty-five (45) days after written notice thereof;
 - iii. Subscriber has provided false or misleading financial or other information to enter into this Agreement;
 - iv. Subscriber assigns, transfers, encumbers, or sells this Agreement or any part of its Kilowatt Allocation or Bill Credits in violation of Section 8; or
 - v. Subscriber makes an assignment for the benefit of creditors, admits in writing its insolvency, or is subject to a petition for dissolution or reorganization, voluntary or involuntary, under the U.S. Bankruptcy Code.
- b. Remedies. Upon the occurrence of an Event of Default, MNCS may take any rights and/or remedies available to it at law or in equity. All rights, powers, and remedies provided under this Agreement are cumulative and not exclusive of any rights, powers, or remedies provided by applicable law. MNCS may terminate the Agreement and replace the defaulting Subscriber, which will not waive payments owed or default fees.

10. LIMITATION OF LIABILITY, WAIVER OF JURY TRIAL, ARBITRATION, AND INDEMNIFICATION.

- a. Force Majeure. Except as specifically provided in this Agreement, if by reason of Force Majeure, MNCS is unable to carry out, either in whole or in part, any of its obligations described in this Agreement, MNCS shall not be deemed to be in default during the continuation of such inability, provided that, within a reasonable time after the occurrence of the Force Majeure event, MNCS gives Subscriber notice describing the particulars of the occurrence and the anticipated period of delay, and uses reasonable efforts to remedy the cause(s) preventing it from carrying out its obligations. “**Force Majeure**” as used in this Agreement means any event or circumstances beyond the reasonable control of MNCS not resulting from MNCS’s negligence.
- b. Limitation of Liability. Except as provided in Sections 7 and 8 with respect to Subscriber’s liability upon termination or transfer of the Agreement, no Party shall be liable to the other Party for any indirect, special, punitive, exemplary, incidental, or consequential damages, whether arising in contract, tort, under statute, or in equity, and each Party hereby waives its rights to any such damages. To the maximum extent permitted by law, MNCS’ liability arising under or in connection with this agreement cannot exceed the annual reconciliation amount determined in accordance with Section 3(b).
- c. No Warranty. Except as expressly provided in this Agreement, MNCS makes no warranty or representation, either express or implied, regarding the Project or its obligations hereunder. MNCS disclaims all warranties of merchantability or fitness for a particular use or purpose. Without limiting the generality of the foregoing, MNCS does not warrant or guarantee the amount of electricity, Kilowatt Allocation, or Bill Credits. The amounts set forth on Exhibit A are for illustration purposes only, and Subscriber acknowledges the Bill Credits may be greater or less than the estimates provided.

d. Waiver. Any delay or failure of a Party to enforce any of the provisions of this Agreement, or to require performance by the other Party of any of the provisions of this Agreement, shall not be construed to (i) be a waiver of such provisions or a Party's right to enforce that provision; or (ii) affect the validity of this Agreement.

e. Severability. If any portion of this Agreement is determined to be invalid or unenforceable in any respect under applicable law, the remainder of this Agreement shall not be affected thereby, and each term, covenant, or condition of the Agreement will be valid and enforceable to the fullest extent permitted by applicable law, unless such invalidity or unenforceability frustrates or negates an essential purpose of this Agreement.

f. Required Arbitration. Please read this section carefully. Any dispute, disagreement, or claim between Subscriber and MNCS arising out of or in connection with this Agreement shall be submitted to final and binding arbitration, in accordance with the Consumer Arbitration Rules of the American Arbitration Association. This Agreement to arbitrate is governed by the Federal Arbitration Act. This arbitration clause replaces the right to participate in a class action or similar proceeding.

g. Waiver of Jury Trial; No Class Action. Each of the Parties, by signing this Agreement, hereby waives the right to a jury trial. In addition, each Party agrees that it may only bring claims against the other Party in its individual capacity and not as a plaintiff or class member in any purported class or representative proceeding.

h. Arbitration Award Binding. The award of the arbitrator shall be conclusive and binding upon the Parties, and shall be the sole and exclusive remedy between the Parties regarding any and all claims and counterclaims presented to the arbitrator. Judgment on the arbitration award may be entered in any court having jurisdiction.

i. Indemnification. To the maximum extent permitted by law, each Party agrees to indemnify, protect, defend, and hold harmless the other Party and its successors and assigns, and their employees, officers, directors, and agents, from any and all damages, losses, claims, costs, or expenses (including reasonable attorneys' fees) or any liability resulting from any action or suit by any third party, of any kind resulting from the failure of such Party to comply with any of the terms or conditions of this Agreement applicable to such Party.

11. LENDER AND TAX EQUITY INVESTOR ACCOMMODATIONS.

a. Subscriber acknowledges that MNCS may finance the construction, development, and installation of the Project through one or more financial partners or financial institutions, or their assigns (collectively hereafter "**Lender/Investor**") and that the MNCS may sell or assign the Project and/or may secure MNCS' obligations thereunder by, among other encumbrances, a pledge or collateral assignment of this Agreement and a first priority security interest in the Project. Subscriber hereby consents to the collateral assignment of this Agreement to a Lender/Investor.

b. Subscriber acknowledges and agrees that Lender/Investor approval and consent may be required for the following:

- i. Any modification in the operation or maintenance of the Project;
- ii. Any modification to the information disclosures;
- iii. Any modification to the CSG Contract;
- iv. Any additional Subscriber representations, warranties, and covenants; or

v. Any amendment to this Agreement, including but not limited to any calculation of the Monthly Subscription Payments, Subscriber Eligibility Criteria, and Subscriber's ability to terminate this Agreement.

c. Subscriber acknowledges and agrees that under no circumstances shall:

i. Lender/Investor be liable to Subscriber for any act or omission of MNCS;

ii. Lender/Investor be subject to any defenses or offsets that Subscriber may have against MNCS under this Agreement; or

iii. Lender/Investor be liable with respect to any breach of any representation or warranty made by MNCS to Subscriber under this Agreement.

12. LENDER'S AND TAX EQUITY INVESTOR'S DEFAULT RIGHTS. If MNCS defaults under MNCS's financing documents with its Lender/Investor, Lender/Investor shall be entitled to exercise any of MNCS's rights and obligations under this Agreement. Subscriber acknowledges and agrees that Lender/Investor's security interest in this Agreement and the Project may be a first priority security interest in this Agreement and the Project. Lender/Investor may also be entitled to exercise all rights and remedies of secured or preferred parties generally with respect to this Agreement and the Project, including, but not limited to the following:

a. Lender/Investor may have the right, but not the obligation, to pay all sums due from MNCS, perform any other act required of MNCS, and to cure any default by MNCS in which case this Agreement will continue in full force and effect.

b. Lender/Investor may have the option to sell its interest in this Agreement or the Project. If Lender/Investor exercises that remedy, it shall not constitute a default under this Agreement, and such sale shall not require Subscriber's prior consent.

c. Upon the reasonable request of Lender/Investor, Subscriber agrees to enter into a new Agreement with Lender/Investor or their assigns under substantially the same terms as this Agreement within ninety (90) days of the termination of this Agreement.

d. Upon the reasonable request of MNCS or Lender/Investor, Subscriber agrees to execute and deliver to MNCS or Lender/Investor any document, instrument, or statement in such form as MNCS or Lender/Investor may require by which Subscriber acknowledges and confirms that the legal and beneficial ownership of this Agreement or the Project remains in MNCS or its affiliate or as is otherwise reasonably requested by Lender/Investor in order to create, perfect, continue, or terminate the security or equitable interest in this Agreement or the Project in favor of Lender/Investor.

13. MISCELLANEOUS.

a. Notices. All notices and other formal communications which any Party may give to another under or in connection with this Agreement shall be in writing, and shall be deemed delivered upon receipt thereof. Any notices to MNCS shall be sent to:

MN COMMUNITY SOLAR, L.L.C.,

Email: info@mncommunitysolar.com

475 Cleveland Ave N, Ste. 222

Website: mncommunitysolar.com

St. Paul, MN 55104

(612) 345-7188

b. Entire Agreement. This Agreement, and all Exhibits and documents referenced herein, contain the entire agreement between Parties with respect to the subject matter hereof, and supersede all other understandings or agreements between the Parties relating to the subject matter hereof.

- c. No Joint Venture or Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create a joint venture or partnership between the Parties. This Agreement is intended solely for the benefit of the Parties hereto.
- d. Amendments. This Agreement may only be amended in writing and signed by both Parties hereto.
- e. Binding Effect. This Agreement is binding upon the Parties and their successors and permitted assigns.
- f. Survival. The provisions of Section 10 of this Agreement shall survive the expiration or earlier termination of this Agreement.
- g. Governing Law. The Agreement is made in the state of Minnesota and will be governed by Minnesota law, without regard to principles of conflicts of law, together with any applicable federal law.
- h. Counterparts. This Agreement may be executed and delivered in identical counterparts by exchange of electronic copies showing the signatures of the Parties, which shall constitute originally signed copies of the same Agreement requiring no further execution. Each counterpart, when assembled, will be a complete original and fully effective instrument. Any acceptance of this Agreement by affirmation through a DocuSign Electronic Signature, or similar system, shall be deemed a binding acceptance of this Agreement and shall be valid as a signature.
- i. Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.
- j. Notice to Subscriber. Do not sign this Agreement if there are any blank spaces. Subscriber should retain a copy of this Agreement to protect its legal rights. By signing below, Subscriber acknowledges that it has read and understands this Agreement and its Exhibits in their entirety, and that Subscriber has received a copy of this Agreement and all disclosure information.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above:

MN Community Solar L.L.C.

City of Northfield

Date

Date

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Signature

Printed Name

Title

EXHIBIT A

City of Northfield General Service Schedule of Estimated Production and Subscription Payment

Year	Subscriber Energy Production (kWh)	Subscriber Energy Production (kWh)	Bill Credit Rate (\$/kWh)	Estimated Total Bill Credit (\$/yr)	Subscription Rate (\$/kWh)	MNCS Subscription (\$/yr)	Estimated Annual Savings
1	6,247,500	1,275,000	\$0.12296	\$156,774	\$0.10796	\$137,649	\$19,125
2	6,216,263	1,268,625	\$0.12579	\$159,582	\$0.11012	\$139,700	\$19,882
3	6,185,181	1,262,282	\$0.12870	\$162,457	\$0.11232	\$141,781	\$20,675
4	6,154,255	1,255,970	\$0.13169	\$165,399	\$0.11457	\$143,894	\$21,505
5	6,123,484	1,249,691	\$0.13476	\$168,410	\$0.11686	\$146,038	\$22,372
6	6,092,867	1,243,442	\$0.13792	\$171,492	\$0.11920	\$148,214	\$23,278
7	6,062,402	1,237,225	\$0.14116	\$174,647	\$0.12158	\$150,422	\$24,224
8	6,032,090	1,231,039	\$0.14449	\$177,875	\$0.12401	\$152,664	\$25,212
9	6,001,930	1,224,884	\$0.14792	\$181,179	\$0.12649	\$154,938	\$26,241
10	5,971,920	1,218,759	\$0.15143	\$184,561	\$0.12902	\$157,247	\$27,314
11	5,942,061	1,212,665	\$0.15505	\$188,021	\$0.13160	\$159,590	\$28,431
12	5,912,350	1,206,602	\$0.15876	\$191,562	\$0.13423	\$161,968	\$29,594
13	5,882,788	1,200,569	\$0.16258	\$195,185	\$0.13692	\$164,381	\$30,804
14	5,853,375	1,194,566	\$0.16650	\$198,893	\$0.13966	\$166,830	\$32,063
15	5,824,108	1,188,593	\$0.17053	\$202,687	\$0.14245	\$169,316	\$33,371
16	5,794,987	1,182,650	\$0.17467	\$206,569	\$0.14530	\$171,839	\$34,730
17	5,766,012	1,176,737	\$0.17892	\$210,542	\$0.14821	\$174,399	\$36,142
18	5,737,182	1,170,853	\$0.18329	\$214,606	\$0.15117	\$176,998	\$37,608
19	5,708,496	1,164,999	\$0.18778	\$218,764	\$0.15419	\$179,635	\$39,129
20	5,679,954	1,159,174	\$0.19239	\$223,019	\$0.15728	\$182,312	\$40,707
21	5,651,554	1,153,378	\$0.19714	\$227,372	\$0.16042	\$185,028	\$42,343
22	5,623,296	1,147,611	\$0.20201	\$231,825	\$0.16363	\$187,785	\$44,040
23	5,595,180	1,141,873	\$0.20701	\$236,381	\$0.16690	\$190,583	\$45,798
24	5,567,204	1,136,164	\$0.21215	\$241,042	\$0.17024	\$193,423	\$47,619
25	5,539,368	1,130,483	\$0.21744	\$245,811	\$0.17365	\$196,305	\$49,506
Estimated Total Savings							\$801,712

Note: This is an estimate. Reconciliation, Xcel Bill Credits, and other information described in the above table will be based on actual production and actual credit amount. This table is intended for estimation purposes, and for the use of a billing amount calculation for the first year. These calculations may change due to a number of factors.

MNCS does not guarantee production or bill credit rates per kWh.

Assumptions: Assumes 1275 kWh / kW of production, 2.75 % per year inflation of Xcel's billing rate and a .5% degradation rate.

EXHIBIT B

Xcel Energy – Northern States Power Solar*Rewards Community Subscriber Agency Agreement and Consent Form

<http://www.xcelenergy.com/staticfiles/xcel/Marketing/Files/MN-SRC-Subscriber-Agency-Agreement.pdf>

EXHIBIT C

Xcel Energy and MN Community Solar Data Privacy Policies

MN Community Solar <http://mncommunitysolar.com/resources> - Policies Tab

Xcel Energy - [https://www.xcelenergy.com/staticfiles/xcel/StaticFiles/xe/Admin/Xcel Online Privacy Policy.pdf](https://www.xcelenergy.com/staticfiles/xcel/StaticFiles/xe/Admin/Xcel%20Online%20Privacy%20Policy.pdf)

EXHIBIT D

Xcel Energy and MN Community Solar Community Solar Garden (CSG) Contract

<https://drive.google.com/file/d/0B21k6PHEPrxb2JILUxpWV9Fa3M/view?usp=sharing>

EXHIBIT E

MN Community Solar Solar Panel Module Warranty

<http://mncommunitysolar.com/resources> – Solar Panels Tab

EXHIBIT F

MN Community Solar Proof of Insurance and Long-Term Maintenance Plan

<http://mncommunitysolar.com/resources> - Policies Tab

EXHIBIT G

City of Northfield

Account and Premise Numbers with Service Address

Account	Premise	Meter	Address	City	State	Zip
TBD	TBD	TBD	TBD	TBD	TBD	TBD