



## ITASCA-MANTRAP CO-OP ELECTRICAL ASS'N.

### COMMUNITY SOLAR PROGRAM PARTICIPATION AGREEMENT

This Community Solar Program Participation Agreement (this “**Agreement**”) is entered into as of the “**Effective Date**” (as defined herein) between ITASCA-MANTRAP CO-OP ELECTRICAL ASS'N (“**Itasca-Mantrap**”), a Minnesota Cooperative Association located at 16930 County 6, Park Rapids, MN 56470, and the Itasca-Mantrap “**Member**” identified in Section 1 of this Agreement.

#### **BACKGROUND**

A. Itasca-Mantrap is developing a nameplate 46 kW (DC) solar photovoltaic (“**PV**”) community solar facility located at Itasca-Mantrap's headquarters. The Itasca-Mantrap SolarWise™ Community Solar Program will consist of 112 panels, each estimated to produce an average of 511 kWh annually.

B. Itasca-Mantrap offers a “**SolarWise™ Community Solar Program**” or “**Program**” whereby eligible Itasca-Mantrap Members will acquire the right to receive a percentage-based portion (the “**Allocated Capacity**”) of the actual energy produced by the Itasca-Mantrap Community Solar Facility each month, which will result in the Member receiving “**Solar Credits**” on the monthly invoice for the “**Account**” established for the Member's “**Service Address**” enrolled in the Community Solar Program.

C. Member and Itasca-Mantrap enter into this Agreement to set forth the terms of Member's participation in the Itasca-Mantrap SolarWise™ Community Solar Program, and agree as follows:

#### 1. **MEMBER INFORMATION AND PARTICIPATION LEVEL**

The “**Member**”, the “**Service Address**” and the “**Account**” participating in the Itasca-Mantrap SolarWise™ Community Solar Program under this Agreement are identified in the attached Exhibit 1. The Member's level of participation in the Program, represented by the “**Allocated Capacity**” acquired, and the “**Participation Fee**” paid by the Member, is identified in Exhibit 1. The Participation Fee is paid in consideration for Member's right to receive the “**Solar Credits**” from the Allocated Capacity according to the terms of this Agreement. In the event the Itasca-Mantrap SolarWise™ Community Solar Program is not completed, the Participation Fee will be refunded. Otherwise, Participation Fees are not refundable except as set forth in Section 5.

#### 2. **EFFECTIVE DATE; TERM; EARLY TERMINATION**

2.1 Effective Date. The “**Effective Date**” of the Program will be the date upon which Itasca-Mantrap deems that the Solar Facility achieves commercial operation and goes into production, which is presently estimated to be January 1, 2015. Itasca-Mantrap will fill in the actual Effective Date when determined: March 1, 2015.

2.2 Term. This Agreement, and the availability of the Solar Credit, will commence as of the Effective Date and will continue for a period of 20 years (the “**Term**”), subject to early

termination as provided in this Agreement. Upon expiration of the Term, the Program and Member's rights end without further action.

2.3 Early Termination. This Agreement and Member's participation in the Program will terminate immediately in the event: (i) Member ceases to be an Itasca-Mantrap member in good standing, (ii) the Account is terminated or assigned without permission of Itasca-Mantrap, (iii) Member ceases to own or reside at the Service Address or be eligible to hold an account for the Service Address, (iv) Member defaults in the performance this Agreement (and such default is not cured within 15 days' after written notice from Itasca-Mantrap to Member), (v) the Account is up for collections for non-payment, or (6) Member is in default of any payment plan obligations for participation in the Program. Termination under Sections (i) through (iii) will occur only in the event this Agreement is not assigned by Member as permitted in Section 6. Upon termination of this Agreement for any reason, Member's rights end without further action and Itasca-Mantrap may reallocate the Member's Allocated Capacity at its discretion.

3. SOLARWISE™ COMMUNITY SOLAR PROGRAM ELIGIBILITY. Only Itasca-Mantrap members in good standing are permitted to participate in the Itasca-Mantrap SolarWise™ Community Solar Program. Qualified service locations are limited to residential and commercial general service usage accounts. Member participation in the Program may be limited by the Member's participation in other Itasca-Mantrap programs. Member participation in the Program is limited to an amount of Allocated Capacity that, based on estimates, would not exceed eighty percent (80%) of the Members' average general service electric usage over the previous twelve (12) month period. It is the intent of the Program that Allocated Capacity will not yield excess Solar Credits, and that participation is intended to be "right sized" to a Member's usage. Accrued Solar Credits may lapse from time to time if unused, as set forth herein.

Member is not acquiring any interest in the Itasca-Mantrap SolarWise™ Solar Facility itself, or in any of its equipment or panels. Member's rights are limited to Solar Credits from time to time during the Term, based upon the Allocated Capacity in relation to the actual energy produced by the Itasca-Mantrap Solar Facility.

4. SOLAR CREDIT.

4.1 Commencing with the invoice for the Account for the service billing period in which the Effective Date occurs, Member will receive a monthly "Solar Credit" during the Term, calculated as provided below, as a credit on the monthly invoice for electric service provided to the Service Address. The Solar Credit shall only be a credit against electric usage that is metered and billed on the Account for the Service Address. The Solar Credit is not available for credit against service for any other location, nor is it available to be applied against any other amounts owed by the Member to Itasca-Mantrap (except as provided herein).

4.2 The Solar Credit will be determined by multiplying (i) the Member's Allocated Capacity by (ii) the total kWh of the electric energy actually produced by the Itasca-Mantrap SolarWise™ Community Solar Facility in the applicable service period at the current general service rate. The resulting amount shall be the amount of the Solar Credit for such service period, and will be indicated on the Account invoice.

4.3 It is anticipated the Solar Credit will first be available for the February, 2015, Itasca-Mantrap invoice for January, 2015, electric usage at the Service Address. The actual commencement date is based upon the commercial operation date of the Itasca-Mantrap Community Solar Facility.

4.4. To the extent the Solar Credit is less than the Account invoice balance for the Service Address for a service period, the Member shall pay the balance due. To the extent that the Solar Credit is greater than the Account invoice balance for the Service Address for a service period, the unapplied balance of the Solar Credit will be carried forward to the Member's next electric bill(s) for the Service Address until it has been fully utilized or lapses. Any unused Solar Credits remaining accrued and unused as of each December 1 (commencing December 31, 2015, and each December 31st thereafter during the Term) shall lapse. Notwithstanding anything to the contrary in this Agreement, if at any time a Member owes any amounts to Itasca-Mantrap (for electric service or otherwise), the unused Solar Credit amount, at Itasca-Mantrap's election, will be applied to such obligation(s) and the remainder, if any, will then lapse.

4.5 The actual electric energy produced and delivered by the Itasca-Mantrap SolarWise™ Community Solar Facility to Itasca-Mantrap shall be as measured on meters installed for that purpose and read each month during the Term. Member understands that the actual energy output of the Itasca-Mantrap SolarWise™ Community Solar Facility may be less than estimated, may decrease or eliminate from time to time, and Member agrees that Itasca-Mantrap makes no guarantee of the output from the Itasca-Mantrap Community Solar Facility or any assurance that any level production of Solar Credits will be available.

4.6 Member agrees that Itasca-Mantrap's sole obligation with respect to the Program is to apply Solar Credits, if any, as a credit on Member's invoice to be applied toward payment for usage charges for electric service provided by Itasca-Mantrap to the Service Address, according to the conditions of this Agreement. In no event shall Itasca-Mantrap have an obligation to pay cash or provide other consideration for accumulated, unused Solar Credits, nor any obligation to apply Solar Credits to other amounts owed by Member to Itasca-Mantrap (except as otherwise provided herein).

5. **PROGRAM TERMINATION BY ITASCA-MANTRAP AND REPURCHASE.** At its sole discretion, Itasca-Mantrap may terminate the SolarWise™ Community Solar Program and/or repurchase the Member's right to receive the Allocated Capacity and related Solar Credits prior to the end of the Term. In any such event, Member's participation in the Program shall end, and this Agreement shall terminate pursuant to the terms of this Section 5. The discretionary termination by Itasca-Mantrap will occur as follows:

5.1. Itasca-Mantrap will notify the Member in writing of the election to terminate the Program or to exercise its repurchase right, and will include in the notice the amount of the Member's Allocated Capacity and associated rights to receive Solar Credits being terminated (the "Termination Notice").

5.2. The only amount paid to the Member in any such event will be an amount equal to the Participation Fee minus an amount equal to the product of the number of years this Agreement has been in effect multiplied by five percent (5%) (the "Repurchase Payment"). By way of illustration, in the event this Agreement is terminated by Itasca-Mantrap after ten (10) years from the Effective Date, the amount of the Repurchase Payment shall be \$647.50 (assuming the Member's Participation Fee was \$1,295.00). In the event Member owes any amounts to Itasca-Mantrap, the Repurchase Payment will be applied to such balance, and the remainder, if any, will be paid to Member. Itasca-Mantrap will make the Repurchase Payment within thirty (30) days after sending the Termination Notice.

5.3 As of the date specified in the Termination Notice, Itasca-Mantrap will have no further obligation to Member with regard to the Program and the Member's rights lapse. In the event Itasca-Mantrap terminates the Program under this Section 5, any accrued, unused Solar Credits will be carried forward on the Account to be applied against Member's future charges for the Service Address.

5.4 Itasca-Mantrap may decide to terminate the Program for any reason. Itasca-Mantrap will only make the Repurchase Payment in the events described in this Section 5, and is not required to make any Repurchase Payment or other payments to the Member in the event of any early termination under Section 2.3 or other provision of this Agreement. Member does not have the right to require Itasca-Mantrap to repurchase all or any portion of the rights to receive Solar Credits associated with Member's Allocated Capacity.

## 6. **ASSIGNMENT AND PERMITTED TRANSFERS BY MEMBER.**

6.1 Assignment Generally. Except as provided in this Section 6, this Agreement and Member's obligations and rights hereunder (including without limitation the Allocated Capacity and the Solar Credits) are not assumable, transferable or assignable by Member, in whole or in part. The Solar Credits described in this Agreement as a result of Member's participation in the Program shall only be applied during the Term to the Member's Account for the Service Address.

6.2 Permitted Assignment. In the event Member is a member in good standing and terminates the Account, ceases to be a member, or ceases to reside at or own the Service Address, Member may request that Itasca-Mantrap: (a) permit Member to change the Service Address to another qualifying location of the Member to which the Program will be applied, which must be within Itasca-Mantrap's service territory (in which case accrued, unused Solar Credits will transfer), or (b) permit Member to assign only future Allocated Capacity and Solar Credits under this Agreement to another qualified individual or entity member of Itasca-Mantrap (in which case any then accrued, unused Solar Credits are forfeited), provided such assignee's Service Address is located within Itasca-Mantrap's service territory; and provided in either case, the assignee qualifies for the Program based on terms and conditions of this Agreement and executes a replacement agreement for participation in the Program, based upon then existing Program terms. Member may only assign all of its rights under this Agreement, and may not make any partial assignments. Itasca-Mantrap must approve any requested transfer, and Member must notify Itasca-Mantrap of any proposed change or assignment in writing at least thirty (30) days prior to the proposed effective date of such change or assignment, which notice must include:

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

6.3 Discretionary Termination Option of Itasca-Mantrap. Itasca-Mantrap may, in connection with its consideration of a transfer request, elect to not permit the requested assignment and instead terminate Member's participation in the Program as provided in Section 5 of this Agreement. Itasca-Mantrap's determination as to whether to terminate participation or consent to any proposed assignment shall be made at the sole discretion of Itasca-Mantrap.

6.4 Rights Upon Transfer. Any assignee shall enter into an agreement with Itasca-Mantrap reflecting the terms of the new arrangements, which may or may not be the same terms as this Agreement. Upon any assignment of this Agreement pursuant to this Section 6, the Member will surrender all right, title and interest in and to this Agreement, and the Program shall no longer be available. No assignment will extend the Term of this Agreement.

6.5 Rights Upon Termination. In the event the Account is terminated, Member ceases to be a member of Itasca-Mantrap, or the Member ceases to own, occupy, or otherwise be the party being billed for service to the Service Address, or in the event of termination under other provisions of this Agreement, the rights and benefits of the Member hereunder shall terminate with no further action, with no refund or reimbursement to be made to the Member.

7. **NO PLEDGE OR ASSIGNMENT.** Except as permitted in Section 6, Member may not (directly or indirectly) pledge, assign, gift, bequeath, or otherwise transfer this Agreement, or any of rights, benefits, or obligations under this Agreement, to any other person or entity for any purpose, including, without limitation, to secure repayment for any loan, debt, liability, or obligation. Any assignment not expressly permitted by this Agreement shall be null and void.

8. **ADDITIONAL PROVISIONS CONCERNING THE SOLAR FACILITY.** The parties further acknowledge and agree that:

8.1 Ownership of Facilities. Itasca-Mantrap shall have sole ownership, possession, use, and control of the Itasca-Mantrap SolarWise™ Community Solar Facility, and will have the exclusive right to maintain and operate the facility, including the right to use the facility for other purposes, so long as such use does not adversely affect or limit the energy production. Member's only benefit acquired under this Agreement is the right to receive the Solar Credit based upon Allocated Capacity. Member shall acquire no ownership, possession rights, use, or control of the Itasca-Mantrap SolarWise™ Community Solar Facility. Neither this Agreement, nor Member's participation in the Program, shall, or shall be construed, to convey 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 Itasca-Mantrap SolarWise™ Community Solar Facility. Member shall not have access to the Itasca-Mantrap SolarWise™ Community Solar Facility except as agreed to in writing in advance by Itasca-Mantrap.

8.2 Disclaimer. ITASCA-MANTRAP MAKES NO WARRANTIES, REPRESENTATIONS, GUARANTEES, OR PROMISES TO THE MEMBER AS TO THE PERFORMANCE OF THE ITASCA-MANTRAP SOLARWISE™ COMMUNITY SOLAR FACILITY. MEMBER ACKNOWLEDGES AND AGREES THAT THE ITASCA-MANTRAP SOLARWISE™ COMMUNITY SOLAR FACILITY IS USED WITHIN THE PROGRAM ON AN "AS IS, WHERE IS, WITH ALL FAULTS BASIS" AND WITHOUT ANY WARRANTY OR GUARANTEE OF PERFORMANCE OR PRODUCTION. 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, AND ANY SUCH WARRANTIES ARE EXPRESSLY WAIVED BY MEMBER.

8.3 Electric Service Conditions. The terms and conditions of electric service provided by Itasca-Mantrap to Member, including rates, charges, and conditions of service (including any policies, fees, charges, or assessments) established from time to time by Itasca-Mantrap for electric service shall not be altered or modified by this Agreement, and this Agreement shall not amend, alter, or modify in any way Member's rights and obligations as a member of Itasca-

Mantrap. All of Itasca-Mantrap's rates, charges, terms and conditions of electric service shall remain subject to change in accordance with Itasca-Mantrap's standard policies and practices, applicable law, and general electric service requirements and practices. Member acknowledges and agrees that the Account to which the Solar Credits associated with Member's participation in the Program shall reflect the rates, charges, and fees established and changed from time to time by Itasca-Mantrap. Participation in the Program shall not give Member any right, in and of itself, to contest or otherwise affect the determination of any rates, fees, or charges by Itasca-Mantrap for electric service.

8.4 No Further Warranties. Itasca-Mantrap makes no representation, warranty, promise, or guarantee, with respect to the Itasca-Mantrap SolarWise™ Community Solar Facility, except as expressly set forth in this Agreement. Member is not relying on any representation, warranty or promise with respect to the Program or the Itasca-Mantrap SolarWise™ Community Solar Facility made by or on behalf of Itasca-Mantrap, except to the extent specifically stated in this Agreement.

8.5 Environmental Attributes. Member grants Itasca-Mantrap, or any successor or assign, exclusive ownership of any environmental attributes of all kinds that may be associated with or resulting from the Member's Allocated Capacity or otherwise existing with respect to, or as a result of the Itasca-Mantrap SolarWise™ Community Solar Program or its operation. Member agrees upon request of Itasca-Mantrap to sign and deliver any documents or instruments necessary to confirm or effect the provisions of this assignment of any Environmental Attributes to Itasca-Mantrap, or any successor or assign, as the case may be.

For purposes of this Agreement, the Term "**Environmental Attributes**" means any and all rights, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the power source, environmental, or renewable characteristics or attributes of the Itasca-Mantrap SolarWise™ Community Solar Program 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 Itasca-Mantrap, or any successor or assign, 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 Itasca-Mantrap SolarWise™ Community Solar Program, including any Production Tax Credit, Investment Tax Credits, 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 Itasca-Mantrap SolarWise™ Community Solar Program.

## 9. MISCELLANEOUS PROVISIONS.

9.1 Notices. Any notices, requests, and other communications to a party under this Agreement must be in writing, and either be (a) delivered in person to the mailing address for a party stated herein, or (b) delivered via United States Postal or other national delivery service (e.g., UPS) to the mailing address for a party stated herein. A party may change its notice address by giving notice to the other party, in the form required by this provision.

9.2 No Third Party Beneficiaries; Entire Agreement. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under, or by reason of, this Agreement on any person or entities other than the signatories hereto. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or liability to, any person or entity not a party to this 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.

9.3 Severability. The Parties intend that the terms of this Agreement shall be enforced to the greatest extent permitted by law. In the event any term or provision of this Agreement is rendered invalid or unenforceable by any valid act of Congress or the state legislature, or by any regulation duly promulgated by officers of the United States or the State of Minnesota acting in accordance with law, or is held by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

9.4 Amendment. Except as permitted by this Agreement, this Agreement may not be amended, modified, added to, or altered, except by a written agreement signed by both Itasca-Mantrap and Member.

9.5 Governing Law; Jurisdiction. This Agreement shall be construed, and the rights and liabilities of the Parties hereto determined, according to the internal laws of the State of Minnesota, and subject exclusively to the jurisdiction of the courts of the State of Minnesota. However, the conflicts of law principles of the State of Minnesota shall not apply to the extent that they would operate to apply the laws of another state. The parties acknowledge and agree that the State of Minnesota Courts located in Hubbard County, Minnesota shall have sole and exclusive jurisdiction and venue in and for any claims, actions, or proceedings arising out of or relating to this Agreement or the performance hereof.

9.6 Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Agreement may be executed using facsimile or electronically transmitted signatures, and such signature pages shall in all respects be binding on all parties hereto and thereto as if such signature pages were originally delivered.

9.7 Force Majeure.

9.7.1. The term “Force Majeure” means an unusual, unexpected or unplanned event, such as an act of God, terrorism, vandalism, civil disturbance, or any other such condition: (i) that was not within the control of Itasca-Mantrap; (ii) that could not have been prevented or avoided by Itasca-Mantrap through the exercise of reasonable diligence; and (iii) that directly prohibits or prevents Itasca-Mantrap from performing its obligations under this Agreement.

9.7.2. If Itasca-Mantrap is unable, wholly or in part, by Force Majeure to perform obligations under this Agreement, such performance shall be excused and suspended so long as the circumstances that give rise to such inability exist. Such inability shall be promptly corrected to the extent it may be corrected through the exercise of due diligence. In no event shall Itasca-Mantrap be liable for any losses or damages arising out of a suspension of performance that occurs because of Force Majeure.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the Effective Date.

**ITASCA-MANTRAP CO-OP  
ELECTRICAL ASSN:**

**MEMBER:**

Sign: \_\_\_\_\_

Sign: \_\_\_\_\_

Name: \_\_\_\_\_

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

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Sign: \_\_\_\_\_

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

Dated: \_\_\_\_\_