

**CITY OF ELKO NEW MARKET
CITY COUNCIL AGENDA
ELKO NEW MARKET CITY HALL
601 MAIN STREET
ELKO NEW MARKET, MINNESOTA 55054
THURSDAY, FEBRUARY 22, 2018**

**BUSINESS MEETING
7:30 PM**

1. Call to Order

2. Pledge of Allegiance

3. Adopt/Approve Agenda

4. Presentations, Proclamations and Acknowledgements (PP&A)

5. Public Comment

Individuals may address the Council about any item not contained on the regular agenda. The Council may limit the time allotted to each individual speaker. A maximum of 15 minutes will be allotted for Public Comment. If the full 15 minutes are not needed for Public Comment, the City Council will continue with the agenda. The City Council will not normally take any official action on items discussed during Public Comment, with the exception of referral to staff or commission for future report.

6. Consent Agenda

All matters listed under consent agenda are considered routine by the City Council and will be acted on by one motion in the order listed below. There may be an explanation, but no separate discussion on these items. If discussion is desired, that item will be removed from the consent agenda and considered separately.

- a. Approve February 7, 2018 Minutes of the Special City Council Meeting
- b. Approve February 8, 2018 Minutes of the City Council Meeting
- c. Approve Payment of Claims and Electronic Transfer of Funds
- d. Approve Not Waiving the Monetary Limits on Municipal Tort Liability
- e. Approve Contract with Ideal Energies for Solar Power Project
- f. Approve 2018 – 2020 Fire and Rescue Services with Cedar Lake
- g. Adopt Ordinance No. 166 Amending the Definition of Residential Care Facilities
- h. Authorize City Administrator to Hire Full-time Police Officer in 2018

7. Public Hearings

8. General Business

9. Reports

- a. Administration
- b. Public Works
- c. Police Department
- d. Fire Department
- e. Engineering

- f. Community Development
 - i. Draft Minutes of February 1, 2018 Planning Commission Meeting
 - ii. Development Updates
- g. Parks Department
 - i. Draft Minutes of February 13, 2018 Parks & Recreation Commission Meeting
- h. Other Committee and Board Reports
 - i. Scott County Association for Leadership and Efficiency (SCALE)
 - ii. Minnesota Valley Transit Authority (MVTA)
 - iii. I35 Solutions Alliance
 - iv. Chamber of Commerce
 - City and Chamber Meeting Attendance
 - v. Regional Council of Mayors
 - vi. Civic & Community Events Committee (CCEC)
 - vii. Downtown Improvement Committee
 - viii. 50 By 30 Collective Impact Project
 - Steering Committee
 - Transportation Committee
 - Housing Committee
 - Workforce Committee

10. Discussion by Council

11. Adjournment

1) CALL TO ORDER

The meeting was called to order by Mayor Crawford at 5:01 p.m.

Members Present: Mayor Crawford, Councilmembers: Berg, Timmons and Timmerman

Members Absent: Councilmember Julius

Also Present: City Administrator Terry, City Attorney Poehler, Community Development Specialist Christianson and City Clerk Green

2) GENERAL BUSINESS

Consider an appeal to Zoning Administrator decision requiring PUD sketch plan review and sketch plan application fees for the proposed Barsness 1st Addition Development

Staff had received a request from Warren Barsness to appeal the following:

1. The Zoning Administrator determination that a proposed Planned Unit Development be reviewed at a “Sketch Plan” level by the City’s Planning Commission and City Council; and
2. The need for a “Sketch Plan” application fee and escrow

Community Development Specialist Christianson gave the Council a review of the City Code relating to this item, background on this project and staff recommendation on the appeal by Warren Barsness.

Dale Runkle, Planner for the Barsness Development gave the Council the developer’s background on the project, how the developer interpreted the language in the City Code relating to the “Sketch Plan” and developer feels a “Sketch Plan” had already been submitted and reviewed by Staff and feels the appeal should be approved.

The Council held a lengthy discussion on the specific language in the City Code relating to the appeal, information presented by Staff and Dale Runkle regarding the request. Council confirmed with Staff that the escrow fee would be used for external costs associated with this “Sketch Plan” and if a balance remained at the end of this specific process, the amount would be refunded to the developer. Council supported the need for a “Sketch Plan” review by the Planning Commission at a special Planning Commission Meeting; and if outcome from the Planning Commission review of the “Sketch Plan” allowed it, the applicant could potentially have their application for development stage PUD and Plat reviewed by the Planning Commission as early as March 6, 2018.

Planning Commission Chair Steve Thompson indicated that the Planning Commission would be agreeable to hold a Special Meeting to review the Barsness Development “Sketch Plan”. Community Development Specialist Christianson will confirm availability of Planning Commission members to hold a Special Meeting on February 22, 2018 to review “Sketch Plan”. The “Sketch Plan” review will not require a Public Hearing.

A Public Hearing for the proposed PUD development and preliminary plat approval requires a complete application be submitted by February 9, 2018. If the applicant submits the required application information by February 9, 2018, per Council direction, Staff will post notice that a Public Hearing regarding the Barsness Development will be held at the March 6, 2018 Planning Commission Meeting. If the application cannot be considered by the Planning Commission on March

6, 2018 Staff should cancel the March 6th Meeting and repost the Public Hearing to be held on March 27, 2018.

MOTION by Councilmember Timmons, second by Councilmember Timmerman that a “Sketch Plan” review should be completed by the Planning Commission and Staff should work with the applicant and Planning Commission to schedule a Special Planning Commission Meeting for review of the “Sketch Plan”. **APIF, MOTION CARRIED**

MOTION by Councilmember Timmons, second by Councilmember Berg to deny the appeal of the “Sketch Plan” application fee and escrow fee. **APIF, MOTION CARRIED**

MOTION by Councilmember Timmons, second by Councilmember Timmerman to return the \$400 fee for the February 7, 2018 Special Council Meeting to the developer. **APIF, MOTION CARRIED**

MOTION by Councilmember Timmons, second by Councilmember Timmerman to waive the \$400 fee for a Special Planning Commission Meeting to review the “Sketch Plan” for the Barsness Development. Ayes: Mayor Crawford, Councilmembers Timmons and Timmerman, Nay: Councilmember Berg. **MOTION CARRIED**

3) ADJOURNMENT

MOTION by Councilmember Timmons, second by Councilmember Timmerman to adjourn the meeting at 6:16 p.m. **APIF, MOTION CARRIED**

Respectfully submitted by:

Sandra Green, City Clerk

1) CALL TO ORDER

The meeting was called to order by Mayor Crawford at 6:30 p.m.

Members Present: Mayor Crawford, Councilmembers: Berg, Julius, Timmons and Timmerman

Members Absent: None

Also Present: City Administrator Terry, Police Chief Mortenson, City Engineer Revering, Public Works Superintendent Schweich and City Clerk Green

2) PLEDGE OF ALLEGIANCE

The Uni-Gears Youth Robotics Team and the Boy Scouts led the Council and audience in the Pledge of Allegiance.

3) ADOPT/APPROVE AGENDA

MOTION by Councilmember Berg, second by Councilmember Timmons to approve the agenda.

APIF, MOTION CARRIED

4) PRESENTATIONS, PROCLAMATIONS AND ACKNOWLEDGEMENTS

Uni-Gears on Robotics Program Presentation

The Uni-Gears is comprised of a team of five (5) local McGuire Middle school girls (6th and 7th grade) that will be competing in a worldwide robotics competition. Part of the Uni-Gears project requires that they do a presentation to groups and get real world feedback. The Uni-Gears gave a presentation to the City Council on how to recycle water from a washing machine to be used for lawn sprinklers or other compatible uses. The group asked Councilmembers questions to get feedback on their project. The Uni-Gears also showed and explained how they made their robot to be entered into competition.

State of the District Presentation by Lakeville School Superintendent Michael Baumann

Michael Baumann, Lakeville Superintendent gave the City Council a presentation on the State of the District for Lakeville Schools. Mr. Baumann took questions from the Council at the end of his presentation.

5) PUBLIC COMMENT

Scott County Commissioner Wolf gave a brief update on recent county activities including feasibility of placing bus stops on I35 up to County Road 50 and possibility changes to early voting.

6) CONSENT AGENDA

MOTION by Councilmember Timmons, second Councilmember Timmerman to approve Consent Agenda.

- a) Approve January 25, 2018 Minutes of the City Council Meeting
- b) Approve Payment of Claims and Electronic Transfer of Funds
- c) Adopt Resolution 18-06 Amending Employee Handbook Concerning Overtime
- d) Approve Firefighter Overtime Agreement
- e) Adopt 18-07 Amending City of Elko New Market Employee Handbook Concerning Working Holiday Pay
- f) Adopt Resolution 18-08 Outdoor Concerts and Events for Windmill Animal Rescue
- g) Approve Rowena Pond Park Repurposing Master Plan
- h) Approve 2017 Fire and Rescue Services and 2018 – 2020 Fire and Rescue Services with New Market Township

APIF, MOTION CARRIED

7) PUBLIC HEARINGS

None

8) GENERAL BUSINESS

None

9) REPORTS

a) ADMINISTRATION

None

b) PUBLIC WORKS

None

c) POLICE DEPARTMENT

None

d) FIRE DEPARTMENT

None

e) ENGINEERING

None

f) COMMUNITY DEVELOPMENT

Community Development Specialist Christianson gave the Council a brief development update.

g) PARKS DEPARTMENT

Parks Commission Update provided in Council Packet. Administrator Terry informed the Council that the “Mad Science” event at the library had more than fifty (50) attendees.

h) OTHER COMMITTEE AND BOARD REPORTS

i. SCALE

None

ii. MVTA

Councilmember Timmons gave an update of the last MVTA Meeting which consisted of a presentation on providing temporary housing in Dakota County in churches to help redirect the homeless from MVTA shelters and an update on ridership – ridership in 2017 was up a little from 2016.

iii. I35 SOLUTIONS ALLIANCE

Councilmember Timmons gave the following update on some discussions held at the last I35 Solutions Alliance Meeting:

- 494 Commission has a website which provides information pertaining to their corridor. I35 Solutions Alliance has a website that supposedly provides information on items of interest; however, it needs updating. I35 Solutions has approached the 494 Commission to see if I35 Solutions Alliance could partner with them to use their resources to try and get the I35 website into more of today's technology, more usable and contain valuable information on it pertaining to I35 Solutions Alliance.
- Legislation Update
- I35 Bridge Update

iv. CHAMBER OF COMMERCE

Councilmember Timmerman thanked Councilmembers and Staff that attended the recently held Ribbon Cutting for Farmers Insurance and Aspen in Summer Décor. Councilmember Berg asked Councilmember Timmerman how things are going at the Chamber as there has been no Chamber representation at Council Meetings. Councilmember Timmerman stated a request has been forwarded to the new President of the Chamber of Commerce regarding the need to assign a representative to attend City Council Meetings. Councilmember Timmerman stated that the Chamber does not have the ability and resources currently to cover everything that is going on in the Chamber.

v. REGIONAL COUNCIL OF MAYORS

None

vi. COMMUNITY AND CIVIC EVENTS COMMITTEE

None

vii. DOWNTOWN IMPROVEMENT COMMITTEE

Councilmember Julius gave the Council a brief update on the last meeting which included a discussion on downtown crosswalks. City Engineer Revering attended the meeting to provide information and answer any questions relating to crosswalks.

viii. 50 BY 30 COLLECTIVE IMPACT PROJECT – Mayor Crawford said that meetings will be starting next week.

1. Steering Committee – None
2. Transportation Committee – None
3. Housing Committee – None
4. Work Force Committee – None

10) DISCUSSION BY COUNCIL

Councilmember Julius inquired if the Council would be alright with him serving on the FISH Board on behalf of New Market Bank. Council confirmed they had no concerns with Councilmember Julius serving on the Board on behalf of the bank.

11) ADJOURNMENT

MOTION by Councilmember Timmerman, second by Councilmember Julius to adjourn the meeting at 8:27 p.m. **APIF, MOTION CARRIED**

Respectfully submitted by:

Sandra Green, City Clerk



STAFF MEMORANDUM REVISED

SUBJECT:	Presentation of Elko New Market Claims and Electronic Transfer of Funds
MEETING DATE:	February 22, 2018
PREPARED BY:	Lelia Leonhardt, Accountant
REQUESTED ACTION:	Approve Payment of Current Claims

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND

Each month the Accountant presents for approval the Elko New Market Claims and Electronic Transfer of Funds.

BUDGET IMPACT:

Budgeted

Attachments:

- Check Summary Register

REVISION:

The Check Register Report has been revised to reflect checks that were issued but not listed on the previous Check Register Report. The missing checks were entered in months prior to February 2018 due to allocating expenses in the months they occurred.

CITY OF ELKO/NEW MARKET

*Check Summary Register©

February 2018

Name	Check Date	Check Amt	
<u>AUTO PAYS</u>			
Paid Chk# 005343E	PERA	2/9/2018	\$7,383.44 Vendor Liability
Paid Chk# 005344E	MN DEPT OF REVENUE	2/9/2018	\$2,095.78 Vendor Liability
Paid Chk# 005345E	INTERNAL REVENUE SERVICE	2/9/2018	\$9,365.28 Vendor Liability
Paid Chk# 005346E	INTEGRA TELECOM INC.	2/20/2018	\$243.95 Police Dept Phone/Fax
Paid Chk# 005347E	INTEGRA TELECOM INC.	2/20/2018	\$529.98 Area Hall Phone/SCADA
Paid Chk# 005348E	PSN	2/6/2018	\$1,063.35 Webstore/Credit Card Processin
Paid Chk# 005349E	NEW MARKET STATE BANK	1/10/2018	\$15.00 Jan Bank Fee
Paid Chk# 005350E	NEW MARKET STATE BANK	1/25/2018	\$15.00 Jan Bank Fee
Paid Chk# 005351E	HEALTH EQUITY, INC.	1/8/2018	\$0.00 Monthly Fee
Paid Chk# 005352E	HEALTH EQUITY, INC.	1/5/2018	\$35.40 Monthly Health Equity Account
Paid Chk# 005353E	INTEGRA TELECOM INC.	2/20/2018	\$49.99 139503 - 25499 Natchez Ave
Paid Chk# 005354E	INTEGRA TELECOM INC.	2/20/2018	\$176.97 937759 - 25499 Natchez Ave Bld
Paid Chk# 005355E	DEPT OF LABOR & INDUSTRY	1/12/2018	\$494.32 4TH QTR BLDG STATE SURCHARGE
Paid Chk# 005356E	MN VALLEY ELECTRIC	2/22/2018	\$1,336.98 Streetlights, Elko
Paid Chk# 005357E	MN VALLEY ELECTRIC	2/9/2018	\$73.98 Glenborough Dr & Chowen
Paid Chk# 005358E	MN VALLEY ELECTRIC	2/22/2018	\$33.71 Whispering Creek Lights
Paid Chk# 005359E	MN VALLEY ELECTRIC	2/22/2018	\$33.77 27059 Beard Ave Lift Pump
		Total Checks	\$22,946.90
 <u>PRE-PAID</u>			
Paid Chk# 038144	PAYROLL	2/8/2018	\$540.03
Paid Chk# 038145	PAYROLL	2/8/2018	\$1,407.22
Paid Chk# 038146	CROSS NURSERIES, INC.	2/8/2018	\$831.60 Reissue Ck#37766
Paid Chk# 038147	UNITED STATES POSTAL	2/8/2018	\$318.08 Postage
Paid Chk# 038148	MN PUBLIC FACILITIES	2/8/2018	\$44,813.46 Bond Payment
Paid Chk# 038149	VISA	2/12/2018	\$621.18 PW - Previous Balance
Paid Chk# 038150	IUOE LOCAL #49	2/12/2018	\$138.00
Paid Chk# 038151	VOID	2/13/2018	\$0.00 VOID
Paid Chk# 038152	VERIZON WIRELESS	2/13/2018	\$808.33 CELL PHONES 12/24/17 - 1/23/18
Paid Chk# 038153	DVS RENEWAL	2/14/2018	\$195.00 2018 FLEET LICENSE TABS
Paid Chk# 038194	MN GFOA	2/15/2018	\$50.00 2018 Membership Lelia Leonhardt
		Total Checks	\$48,891.30
 <u>CHECK REGISTER</u>			
Paid Chk# 038154	BOLTON & MENK	2/22/2018	\$11,394.00 T43.115114 – CSAH 2&91 ROUNDABOUT
Paid Chk# 038155	AEM FINANCIAL SOLUTIONS,	2/22/2018	\$7,855.00 Financial Services JAN18
Paid Chk# 038156	AIRGAS USA, LLC	2/22/2018	\$132.65 FD - Oxygen
Paid Chk# 038157	APPLE VALLEY MEDICAL CLINIC	2/22/2018	\$122.00 PRE-EMPLOY TESTING - LL
Paid Chk# 038158	BOLTON & MENK	2/22/2018	\$5,315.00 T43.115114 - 2&91ROUNDABOUT
Paid Chk# 038159	CAMPBELL KNUTSON	2/22/2018	\$567.80 CHOWEN AVE (HAZARD BLDG)
Paid Chk# 038160	SCHULTE, DAVE	2/22/2018	\$695.00 WINTER PROGRAM @ LIBRARY
Paid Chk# 038161	DULTMEIER SALES, LLC	2/22/2018	\$2,741.42 LARGE TOOLS
Paid Chk# 038162	EMERGENCY AUTO TECH INC	2/22/2018	\$226.20 TRUCK CODE 3 LIGHTS
Paid Chk# 038163	FASTENAL COMPANY	2/22/2018	\$398.99 PW - Fleet Maint & Equip
Paid Chk# 038164	FISH ROCK COUNTRY MARKET	2/22/2018	\$1,904.43 PW Fuel
Paid Chk# 038165	FLEET SERVICES &	2/22/2018	\$75.75 SMALL TOOLS
Paid Chk# 038166	G&K SERVICES	2/22/2018	\$26.70 PW - Uniforms
Paid Chk# 038167	GENERAL REPAIR SERVICE	2/22/2018	\$36.53 FLEET
Paid Chk# 038168	GFOA	2/22/2018	\$160.00 2018 DUES - LL
Paid Chk# 038169	HAWKINS, INC.	2/22/2018	\$1,146.29 PW - Water Chemicals
Paid Chk# 038170	INNOVATIVE OFFICE	2/22/2018	\$767.00 Office Supplies
Paid Chk# 038171	KELLEY FUELS, INC.	2/22/2018	\$2,687.08 PW - Fuel
Paid Chk# 038172	LAKEVILLE SANITARY, INC.	2/22/2018	\$86.23 11756 - Wagner Park
Paid Chk# 038173	LANO EQUIPMENT, INC.	2/22/2018	\$49.48 PW - Fleet Maint & Repairs
Paid Chk# 038174	LARKSTUR ENGINEERING	2/22/2018	\$879.25 PW - Fleet Maint & Repairs
Paid Chk# 038175	METROPOLITAN COUNCIL	2/22/2018	\$18,807.29 PW - Monthly Sewer MAR18
Paid Chk# 038176	METERING & TECH SOLUTIONS	2/22/2018	\$1,615.00 WATER METERS FOR BANK PROJECT
Paid Chk# 038177	MUNICIPAL INSPECTIONS, INC.	2/22/2018	\$4,791.60 Building Inspections

CITY OF ELKO/NEW MARKET

*Check Summary Register©

February 2018

CHECK REGISTER CONTINUED...

Paid Chk#	038178	NORTHWEST ASSOCIATED	2/22/2018	\$4,211.70	Technical Assistance - 2040 Co
Paid Chk#	038179	NAPA AUTO PARTS	2/22/2018	\$131.40	PD - Fleet Maint & Equip
Paid Chk#	038180	POMPS TIRE SERVICE, INC.	2/22/2018	\$893.97	PW - Fleet Maint & Repairs
Paid Chk#	038181	QUILL CORPORATION	2/22/2018	\$485.89	Operating Supplies
Paid Chk#	038182	RDO EQUIPMENT CO.	2/22/2018	\$1,745.00	LARGE TOOLS
Paid Chk#	038183	ROSENBAUER MINNESOTA, LLC	2/22/2018	\$134.50	SCENE LIGHT
Paid Chk#	038184	SCHLOMKAS PORTABLE	2/22/2018	\$260.00	PROTABLE RESTROOMS FOR PARKS
Paid Chk#	038185	SCOTT COUNTY TREASURER	2/22/2018	\$2,000.00	2018 SCALE ANNUAL FEE
Paid Chk#	038186	SHRED RIGHT	2/22/2018	\$69.60	Shredding
Paid Chk#	038187	SHRM	2/22/2018	\$209.00	Membership Dues
Paid Chk#	038188	SORENSEN CONSULTING	2/22/2018	\$900.00	ASSESSMENT/FEEDBACK SVCS
Paid Chk#	038189	SPRINGSTED, INC.	2/22/2018	\$698.75	PE REPORT 2018 (FINAL BILLING)
Paid Chk#	038190	PATRICIA TIMMONS	2/22/2018	\$82.84	MILEAGE (1/11/18 - 2/8/18)
Paid Chk#	038191	TITAN MACHINERY - SHAKOPEE	2/22/2018	\$245.06	PW - Fleet Maint & Repairs
Paid Chk#	038192	WIN-911 SOFTWARE	2/22/2018	\$495.00	SCADA SOFTWARE ANNUAL FEE
Paid Chk#	038193	XEROX CORPORATION	2/22/2018	\$649.89	Copier
		Total Checks		\$75,693.29	

DIRECT DEPOSITS

Paid Chk#	501550E	BI-WEEKLY ACH	2/08/2018	\$29,511.24	PAYROLL
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STAFF MEMORANDUM

SUBJECT:	Insurance Liability Coverage - Waiver Form
MEETING DATE:	February 22, 2018
PREPARED BY:	Sandra Green, City Clerk
REQUESTED ACTION:	Motion to not approve the waiving of the monetary limits on municipal tort liability

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND:

Each year, the League of Minnesota Cities Insurance Trust asks the City to indicate whether or not the City will waive the monetary limits on tort liability established by Minnesota Statute.

DISCUSSION:

Waiving the limit increases the financial exposure for the City related to potential claims. In prior years the City has chosen to NOT waive these liabilities.

BUDGET IMPACT:

None

Please contact City Clerk with any questions regarding the matter in this memorandum (952-461-2777).

Attachments:

- Insurance Liability Coverage Waiver Form



CONNECTING & INNOVATING
SINCE 1913

LIABILITY COVERAGE – WAIVER FORM

LMCIT members purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage. Please return the completed form to your underwriter or email to pstech@lmc.org

This decision must be made by the member's governing body every year. You may also wish to discuss these issues with your attorney.

League of Minnesota Cities Insurance Trust (LMCIT) members that obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits apply regardless of whether the city purchases the optional excess liability coverage.
- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$2,000,000 for a single occurrence. (Under this option, the tort cap liability limits are waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2 million.) The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name

Check one:

- The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04.
- The member **WAIVES** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04 to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council/governing body meeting _____

Signature _____

Position _____



STAFF MEMORANDUM

SUBJECT: Solar Project Contract
MEETING DATE: February 22, 2018
PREPARED BY: Mark Nagel, Assistant City Administrator
Green Step Cities Intern Paul Carroll
REQUESTED ACTION: Direct and authorize City Administrator to execute contract documents.

COMMUNITY VISION:

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5 YEAR GOALS:

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- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND:

After studying the possible use of Community Solar Gardens, the City Council decided in late 2016, to look at more cost-effective approaches to securing the benefits of solar power. *Retrofitting*, or securing a utility to an existing structure, was deemed the recommended method of producing solar energy and it:

- Enables the City to have control over solar production
- Allows for each building to be its own accountable, metered solar producer.
- Benefit from the cost-saving reductions in billable energy usage.
- Diversify the city's energy portfolio.
- Take a leadership role in energy efficiency.
- Support clean energy by investing in green technology.

Solar panels are attractive financially, but they are expensive to purchase and install. Also, there will be a loss of "yield" over time due to degradation. Solar panels lose approximately 3% of their performance output in their first year and 0.5% per year thereafter. At year 21 the system would produce at a rate 13% lower than experienced in its first year. Other factors considered were:

- The average projected lifespan of solar panels is about 40-50 years.
- Most manufacturer warranties and output guarantees run for 20-25 years.
- Project financing, maintenance repairs and system administration will be required.
- There will be an aesthetic impact.

Based on Staff assessment, the pros outweighed the cons, for retrofitting, so Staff proceeded to develop a RFQ to use solar power for City Hall and the Public Works Maintenance Facility with the potential for future use at other City Buildings. Ideal Energies response was evaluated as the best one because it did not require any upfront costs for the City.

At the October 26th City Council directed Staff to prepare a contract with Ideal Energies for adding solar to City Hall and the Public Works Building.

DISCUSSION:

Staff has completed "due diligence" for the contract, which would be implemented in Spring 2018, by contacting their current clients. Ideal Energies has done work for Ramsey County, the City of Mendota Heights, and the City of Hinckley, along with Minneapolis Public Schools, Eden Prairie Schools, Burnsville Schools, Richfield Schools, and Columbia Heights Schools. They have been pleased with construction and installation of the solar equipment, but it is too early to tell if the long-term savings will occur; although, short term (less than 5 years) are encouraging.

The City's Insurance Agent of Record, Mark Lenz of Bearence, Inc, has reviewed and approved the Insurance Certificate provided by Ideal Energies and the City is named as insured on the Certificate.

There was a revision to the final contracts, in the City's favor, as a result of law changes to the financing that took effect in 2018. The contracts call for a 13 year "put and call" term, instead of a 12 year term, which means that the City can purchase the array at City Hall for \$3,536,

instead of \$11,084, and the array at the Public Works Building for \$3,900, instead of \$12,508. This was the only revision from the figures provided to the City Council last November.

In addition, on February 8th, the City received a “Solar Rewards Acknowledgement Letter” from Xcel Energy confirming funding approval for an 8 cents/kWh rate for the project, which Staff will sign assuming these Agreements are approved. Council will recall that the rate for the Solar Garden approach was nearly 11 cents/kWh.

Finally, the City Attorney has approved the Contract, as to form.

RECOMMENDATION:

Recommend the Elko New Market City Council approved the attached Contract with Ideal Energies for the provision of solar power to City Hall and the Public Works Building.

ATTACHMENT:

Contracts with Ideal Energies

A GREEN² OPPORTUNITY

Make Money. Save the Planet.

Cashflow Summary

[Elko New Market - Public Works 2017]

Capital Lease - Solar for Minnesota Non-Profits, Schools & Public Organizations

Xcel Solar*Rewards
General Service Rate Plan

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge





Solar Array Technical Information

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Solar Array Specification (Typical)

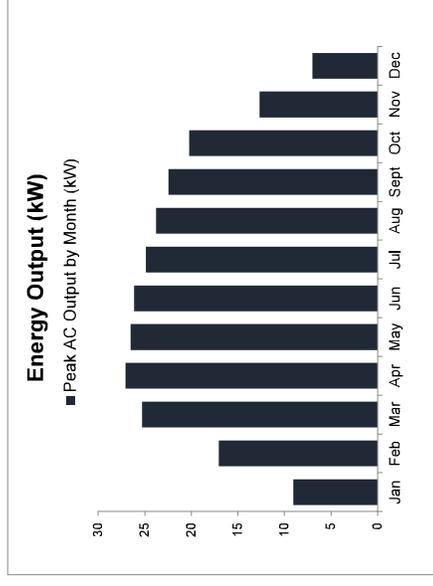
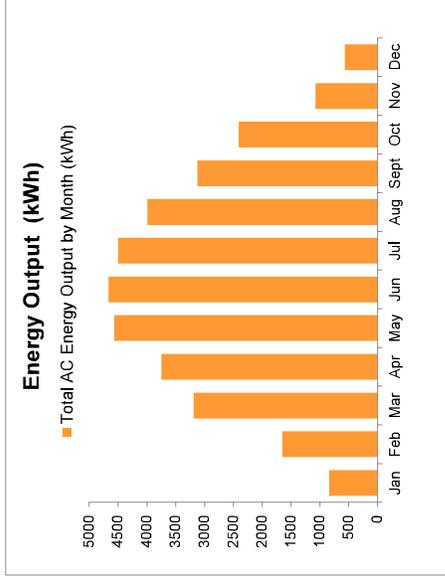
System Size (kW DC)	31.50
Inversion Ratio (DC / AC)	0.945
Maximum AC Output of Inverters (AC KW)	30.5
Maximum Peak AC Output including AC line losses (kW)	29.6
Expected Energy Production (kWh/kW DC)	1090
Expected Energy Production (kWh/Year)	34335

Expected Solar Array Production (kWh)

Typical Solar Array Energy Production (kWh) using NREL modeling, Helioscope or PV Syst modelling tools with average adjusted historical weather conditions in Minneapolis, MN using TMY3 Weather Data. <http://www.nrel.gov> Estimated performance is based on information including but not limited to the equipment used, the solar array's kW/DC size, AC/DC line losses, standard rectangular configuration, and the array pointing due south. Your System's energy production will vary with actual equipment, layout and weather conditions. Expected Energy Production above does not include annual degradation in solar panel DC output.

Expected Energy Production

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Total AC Energy Output by Month (kWh)	841	1649	3193	3749	4585	4867	4501	3991	3123	2408	1078	570	34335
	2.4%	4.8%	9.3%	10.9%	13.3%	13.6%	13.1%	11.6%	9.1%	7.0%	3.1%	1.7%	100.0%
Peak AC Output by Month (kW)	9	17	25	27	27	26	25	24	22	20	13	7	
	30.6%	57.7%	85.5%	91.5%	89.7%	88.4%	84.2%	80.5%	75.9%	68.4%	42.9%	23.7%	





Utility Bill Savings

Net Metering - Energy and Demand Charge Savings

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

System Sizing & Energy Assumptions	
Solar system size (kW DC)	31.50
Year 1 system production (kWh/year)	34335
Year 1 degradation - reduction in kWh output (% / year)	3.00%
Year 2+ degradation - reduction in kWh output (% / year)	0.50%
Ten year average increase in utility costs (% / year)	4.50%

Energy Expense Savings (kWh) - Energy Reduction	
Utility Billing Plan	General Service Rate Plan A14
Year 1 annual energy expense savings (\$)	\$ 2,413
Year 1 utility cost (\$ / kWh)	\$ 0.0703

Demand Expense Savings (kW) - Demand Reduction	
Peak AC output available for reducing demand (kW)	29.57
Estimated AC output that reduces demand charges (%)	25.0%
Year 1 demand reduction realized (kW AC / month)	7.4
Year 1 average demand charge cost (\$ / kW)	\$ 13.70
Year 1 annual demand charge savings (\$)	\$ 1,216
Year 1 demand charge savings per kWh (\$ / kWh)	\$ 0.0354

Combined Energy & Demand Expense Savings	
Year 1 energy charge expense utility bill savings (\$/kWh)	\$ 0.0703
Year 1 demand charge expense utility bill savings (\$/kWh)	\$ 0.0354
Year 1 combined utility bill expense savings (\$/kWh)	\$ 0.1057

For documentation on the above assumptions, please refer to the product information documents and support documents available from your iDEAL salesperson. If you would like to use different assumptions, please ask.

Utility Bill Savings					
Year	Electricity Produced (kWh/year)	Annual Savings		Total Savings	
		Energy Expense Savings (\$/year)	Demand Expense Savings (\$/year)	Annual Savings (\$)	Cumulative Annual Savings (\$)
1	34335	\$ 2,413	\$ 1,216	\$ 3,629	\$ 3,629
2	33305	\$ 2,446	\$ 1,232	\$ 3,679	\$ 7,308
3	33138	\$ 2,544	\$ 1,281	\$ 3,825	\$ 11,133
4	32973	\$ 2,645	\$ 1,332	\$ 3,977	\$ 15,110
5	32808	\$ 2,750	\$ 1,385	\$ 4,135	\$ 19,246
6	32644	\$ 2,859	\$ 1,440	\$ 4,300	\$ 23,545
7	32481	\$ 2,973	\$ 1,498	\$ 4,471	\$ 28,016
8	32318	\$ 3,091	\$ 1,557	\$ 4,649	\$ 32,665
9	32157	\$ 3,214	\$ 1,619	\$ 4,834	\$ 37,499
10	31996	\$ 3,342	\$ 1,684	\$ 5,026	\$ 42,524
11	31836	\$ 3,475	\$ 1,751	\$ 5,226	\$ 47,750
12	31677	\$ 3,613	\$ 1,820	\$ 5,434	\$ 53,184
13	31518	\$ 3,757	\$ 1,893	\$ 5,650	\$ 58,834
14	31361	\$ 3,907	\$ 1,968	\$ 5,874	\$ 64,708
15	31204	\$ 4,062	\$ 2,046	\$ 6,108	\$ 70,816
16	31048	\$ 4,224	\$ 2,128	\$ 6,351	\$ 77,167
17	30893	\$ 4,392	\$ 2,212	\$ 6,604	\$ 83,771
18	30738	\$ 4,566	\$ 2,300	\$ 6,866	\$ 90,637
19	30584	\$ 4,748	\$ 2,392	\$ 7,139	\$ 97,777
20	30432	\$ 4,937	\$ 2,487	\$ 7,423	\$ 105,200
21	30279	\$ 5,133	\$ 2,586	\$ 7,719	\$ 112,919
22	30128	\$ 5,337	\$ 2,688	\$ 8,026	\$ 120,945
23	29977	\$ 5,550	\$ 2,795	\$ 8,345	\$ 129,290
24	29827	\$ 5,770	\$ 2,907	\$ 8,677	\$ 137,966
25	29678	\$ 6,000	\$ 3,022	\$ 9,022	\$ 146,988
26	29530	\$ 6,238	\$ 3,142	\$ 9,381	\$ 156,369
27	29382	\$ 6,487	\$ 3,267	\$ 9,754	\$ 166,123
28	29235	\$ 6,745	\$ 3,397	\$ 10,142	\$ 176,265
29	29089	\$ 7,013	\$ 3,532	\$ 10,545	\$ 186,810
30	28944	\$ 7,292	\$ 3,673	\$ 10,965	\$ 197,775
31	28799	\$ 7,582	\$ 3,819	\$ 11,401	\$ 209,176
32	28655	\$ 7,883	\$ 3,971	\$ 11,854	\$ 221,030
33	28512	\$ 8,197	\$ 4,129	\$ 12,326	\$ 233,356
34	28369	\$ 8,523	\$ 4,293	\$ 12,816	\$ 246,172
35	28227	\$ 8,862	\$ 4,464	\$ 13,326	\$ 259,498
36	28086	\$ 9,214	\$ 4,641	\$ 13,856	\$ 273,354
37	27946	\$ 9,581	\$ 4,826	\$ 14,407	\$ 287,761
38	27806	\$ 9,962	\$ 5,018	\$ 14,980	\$ 302,741
39	27667	\$ 10,358	\$ 5,218	\$ 15,576	\$ 318,317
40	27529	\$ 10,770	\$ 5,425	\$ 16,195	\$ 334,512



Capital Lease Financing Summary

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar® Rewards
General Service Rate Plan

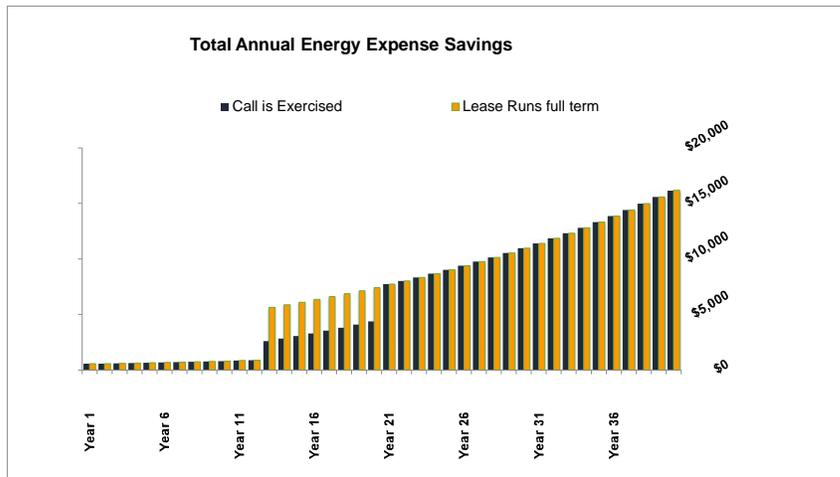
Utility Expense Savings with the Solar Array

Year	Utility Bill Expense Savings	Green Sky Utility Bill Expense	Green Sky Utility Bill Expense Savings
	(Utility Bill Expense Avoidance)	(Call is Exercised) (Power Purchase Expense)	(Call is Exercised) (Utility Bill Expense Savings)
1	\$3,629	\$2,903	\$726
2	\$3,679	\$2,943	\$736
3	\$3,825	\$3,060	\$765
4	\$3,977	\$3,182	\$795
5	\$4,135	\$3,308	\$827
6	\$4,300	\$3,440	\$860
7	\$4,471	\$3,577	\$894
8	\$4,649	\$3,719	\$930
9	\$4,834	\$3,867	\$967
10	\$5,026	\$4,021	\$1,005
11	\$5,226	\$4,181	\$1,045
12	\$5,434	\$4,347	\$1,087
13	\$5,650		\$5,650
14	\$5,874		\$5,874
15	\$6,108		\$6,108
16	\$6,351		\$6,351
17	\$6,604		\$6,604
18	\$6,866		\$6,866
19	\$7,139		\$7,139
20	\$7,423		\$7,423
21	\$7,719		\$7,719
22	\$8,026		\$8,026
23	\$8,345		\$8,345
24	\$8,677		\$8,677
25	\$9,022		\$9,022
Total	\$146,988	\$42,548	\$104,441

Assuming that you **20** terminate the Lease and Power Purchase Agreements by exercising your Call Option after year **12** you will receive approximately... **20.0%** Utility Bill Expense Savings during years **1 to 12**

Assuming an Average Annual Utility Rate Increase of **4.50%**

Thereafter, you will receive **ALL** of the **ENERGY** generated from your solar array for **FREE!**



The **orange bars** extending above the **dark blue bars** represent the **Total Additional Annual Energy Expense Savings Achieved** when the Put or Call is used to terminate the Lease & Power Purchase Agreements early

Capital Lease Outcome Summary - Example

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Lease Runs Full Term, Customer Exercises its Call Option, or Green² Solar Leasing Exercises its Put Option

Year	Utility Bill Expense Savings	Utility Bill Expense Green ² Solar Leasing		
		Lease Runs Full Term	If the Call is Exercised	If the Put is Exercised
	Utility Bill Expense Reduction	Power Purchase Expense	Power Purchase Expense	Power Purchase Expense
1	\$3,629	\$2,903	\$2,903	\$2,903
2	\$3,679	\$2,943	\$2,943	\$2,943
3	\$3,825	\$3,060	\$3,060	\$3,060
4	\$3,977	\$3,182	\$3,182	\$3,182
5	\$4,135	\$3,308	\$3,308	\$3,308
6	\$4,300	\$3,440	\$3,440	\$3,440
7	\$4,471	\$3,577	\$3,577	\$3,577
8	\$4,649	\$3,719	\$3,719	\$3,719
9	\$4,834	\$3,867	\$3,867	\$3,867
10	\$5,026	\$4,021	\$4,021	\$4,021
11	\$5,226	\$4,181	\$4,181	\$4,181
12	\$5,434	\$4,347	\$4,347	\$4,347
13	\$5,650	\$3,050	\$12,508	\$1
14	\$5,874	\$3,050		
15	\$6,108	\$3,050		
16	\$6,351	\$3,050		
17	\$6,604	\$3,050		
18	\$6,866	\$3,050		
19	\$7,139	\$3,050		
20	\$7,423	\$3,050		
21	\$7,719			
22	\$8,026			
23	\$8,345			
24	\$8,677			
25	\$9,022			
26	\$9,381			
27	\$9,754			
28	\$10,142			
29	\$10,545			
30	\$10,965			
31	\$11,401			
32	\$11,854			
33	\$12,326			
34	\$12,816			
35	\$13,326			
36	\$13,856			
37	\$14,407			
38	\$14,980			
39	\$15,576			
40	\$16,195			
	\$334,512	\$66,948	\$55,056	\$42,549

Year	Customer's Call Price Based on Tenant's Estimated Net Cashflow Over the Remaining Lease Term at Stated Discount		
	Tenant's Power Sales Income	Tenant's Expense	Tenant's Net Cashflow
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13	\$3,050	-\$263	\$2,788
14	\$3,050	-\$263	\$2,788
15	\$3,050	-\$263	\$2,788
16	\$3,050	-\$263	\$2,788
17	\$3,050	-\$263	\$2,788
18	\$3,050	-\$263	\$2,788
19	\$3,050	-\$263	\$2,788
20	\$3,050	-\$263	\$2,788
21			
22			
23			
24			
25			
	\$24,400	-\$2,100	\$22,300
	Discount Rate		15%
	Customer's Call Price:		\$12,508
	Tenant's Put Price:		\$1.00

1 **Customer's Call Option** - If Green² Solar does not exercise its Put Option, the Customer can require Green² Solar to sell its remaining interest to the Customer for the Call Price. (Can be exercised during months 3 to 6 after Call Date)

2 **Green² Solar Leasing's Put Option** - Green² Solar Leasing can require the Customer to purchase its remaining interest for the Put Price. (Can be exercised during months 1 to 3 after Put Date)

3 **If neither party exercises their Put or Call Options** - the Lease & Power Purchase agreements run full-term unless Green² Solar Leasing and Customer mutually agree to terminate them arrangement early.

Assumes Call or Put is exercised per the transaction documents.
This summary is intended only as an example.



Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings

Rooftop Flushmounted Solar Array - 31.5 kWDC SiflabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Year	Customers' Utility Savings and Rent Income			Customer's Expenses			Annual Savings	
	Utility Bill Savings	Rent Revenue	Total Annual Customer Revenue	Energy Payment to GreenSky (subject to sales tax)	Insurance Expense & Utility Fees	Total Annual Expenses	Total Annual Energy Expense Savings	Total Cumulative Annual Energy Expense Savings
Year 1	\$ 3,629	\$ 75	\$ 3,704	\$ (2,903)	\$ (225)	\$ (3,128)	\$ 576	\$ 576
Year 2	\$ 3,679	\$ 75	\$ 3,754	\$ (2,943)	\$ (230)	\$ (3,173)	\$ 581	\$ 1,157
Year 3	\$ 3,825	\$ 75	\$ 3,900	\$ (3,060)	\$ (234)	\$ (3,294)	\$ 606	\$ 1,763
Year 4	\$ 3,977	\$ 75	\$ 4,052	\$ (3,182)	\$ (238)	\$ (3,421)	\$ 632	\$ 2,394
Year 5	\$ 4,135	\$ 75	\$ 4,210	\$ (3,309)	\$ (244)	\$ (3,552)	\$ 658	\$ 3,053
Year 6	\$ 4,300	\$ 75	\$ 4,375	\$ (3,440)	\$ (248)	\$ (3,688)	\$ 687	\$ 3,739
Year 7	\$ 4,471	\$ 75	\$ 4,546	\$ (3,577)	\$ (253)	\$ (3,830)	\$ 716	\$ 4,455
Year 8	\$ 4,648	\$ 75	\$ 4,724	\$ (3,719)	\$ (258)	\$ (3,977)	\$ 746	\$ 5,201
Year 9	\$ 4,834	\$ 75	\$ 4,909	\$ (3,867)	\$ (264)	\$ (4,131)	\$ 778	\$ 5,980
Year 10	\$ 5,026	\$ 75	\$ 5,101	\$ (4,021)	\$ (269)	\$ (4,290)	\$ 811	\$ 6,791
Year 11	\$ 5,226	\$ 75	\$ 5,301	\$ (4,181)	\$ (274)	\$ (4,455)	\$ 846	\$ 7,637
Year 12	\$ 5,434	\$ 75	\$ 5,509	\$ (4,347)	\$ (280)	\$ (4,627)	\$ 882	\$ 8,519
Year 13	\$ 5,650	\$ -	\$ 5,650	\$ -	\$ -	\$ -	\$ 5,650	\$ 14,168
Year 14	\$ 5,874	\$ -	\$ 5,874	\$ -	\$ -	\$ -	\$ 5,874	\$ 20,043
Year 15	\$ 6,108	\$ -	\$ 6,108	\$ -	\$ -	\$ -	\$ 6,108	\$ 26,151
Year 16	\$ 6,351	\$ -	\$ 6,351	\$ -	\$ -	\$ -	\$ 6,351	\$ 32,502
Year 17	\$ 6,604	\$ -	\$ 6,604	\$ -	\$ -	\$ -	\$ 6,604	\$ 39,106
Year 18	\$ 6,866	\$ -	\$ 6,866	\$ -	\$ -	\$ -	\$ 6,866	\$ 45,972
Year 19	\$ 7,139	\$ -	\$ 7,139	\$ -	\$ -	\$ -	\$ 7,139	\$ 53,112
Year 20	\$ 7,423	\$ -	\$ 7,423	\$ -	\$ -	\$ -	\$ 7,423	\$ 60,535
Year 21	\$ 7,719	\$ -	\$ 7,719	\$ -	\$ -	\$ -	\$ 7,719	\$ 68,254
Year 22	\$ 8,026	\$ -	\$ 8,026	\$ -	\$ -	\$ -	\$ 8,026	\$ 76,279
Year 23	\$ 8,345	\$ -	\$ 8,345	\$ -	\$ -	\$ -	\$ 8,345	\$ 84,624
Year 24	\$ 8,677	\$ -	\$ 8,677	\$ -	\$ -	\$ -	\$ 8,677	\$ 93,301
Year 25	\$ 9,022	\$ -	\$ 9,022	\$ -	\$ -	\$ -	\$ 9,022	\$ 102,323
Year 26	\$ 9,381	\$ -	\$ 9,381	\$ -	\$ -	\$ -	\$ 9,381	\$ 111,704
Year 27	\$ 9,754	\$ -	\$ 9,754	\$ -	\$ -	\$ -	\$ 9,754	\$ 121,458
Year 28	\$ 10,142	\$ -	\$ 10,142	\$ -	\$ -	\$ -	\$ 10,142	\$ 131,600
Year 29	\$ 10,545	\$ -	\$ 10,545	\$ -	\$ -	\$ -	\$ 10,545	\$ 142,145
Year 30	\$ 10,965	\$ -	\$ 10,965	\$ -	\$ -	\$ -	\$ 10,965	\$ 153,110
Year 31	\$ 11,401	\$ -	\$ 11,401	\$ -	\$ -	\$ -	\$ 11,401	\$ 164,511
Year 32	\$ 11,854	\$ -	\$ 11,854	\$ -	\$ -	\$ -	\$ 11,854	\$ 176,365
Year 33	\$ 12,326	\$ -	\$ 12,326	\$ -	\$ -	\$ -	\$ 12,326	\$ 188,691
Year 34	\$ 12,816	\$ -	\$ 12,816	\$ -	\$ -	\$ -	\$ 12,816	\$ 201,507
Year 35	\$ 13,326	\$ -	\$ 13,326	\$ -	\$ -	\$ -	\$ 13,326	\$ 214,833
Year 36	\$ 13,856	\$ -	\$ 13,856	\$ -	\$ -	\$ -	\$ 13,856	\$ 228,689
Year 37	\$ 14,407	\$ -	\$ 14,407	\$ -	\$ -	\$ -	\$ 14,407	\$ 243,096
Year 38	\$ 14,980	\$ -	\$ 14,980	\$ -	\$ -	\$ -	\$ 14,980	\$ 258,076
Year 39	\$ 15,576	\$ -	\$ 15,576	\$ -	\$ -	\$ -	\$ 15,576	\$ 273,652
Year 40	\$ 16,195	\$ -	\$ 16,195	\$ -	\$ -	\$ -	\$ 16,195	\$ 289,847
TOTAL	\$ 334,512	\$ 900	\$ 335,412	\$ (42,548)	\$ (3,018)	\$ (45,565)	\$ 289,847	\$ 289,847

Assumes Call is exercised per the transaction documents. This Cashflow summary is intended only as an example.

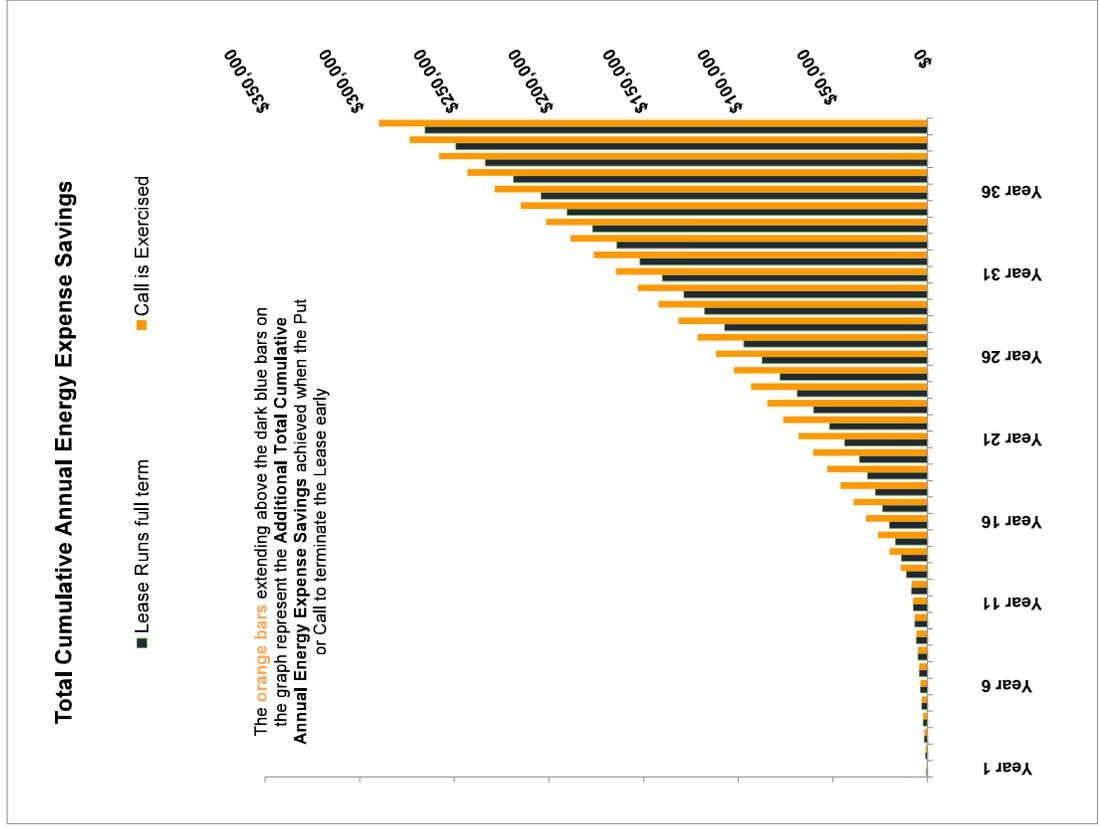
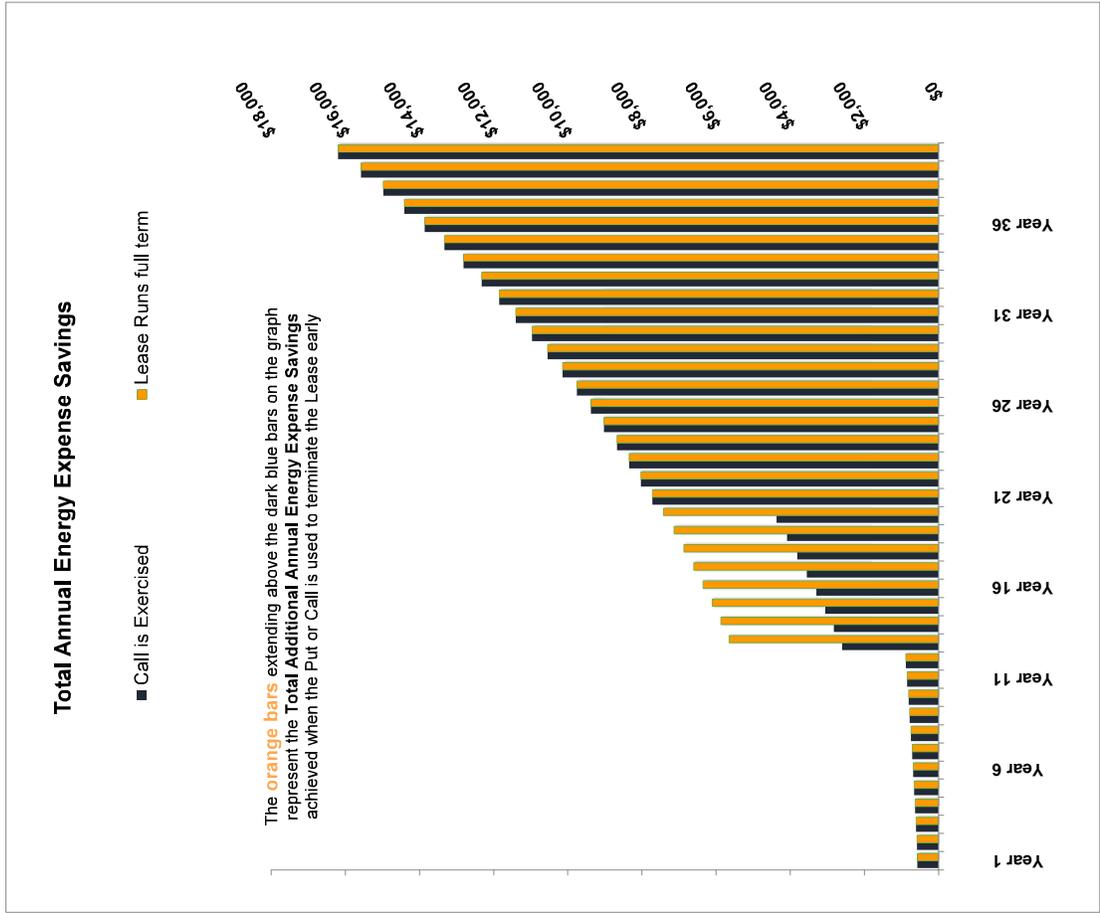


Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings

Rooftop Flushmounted Solar Array - 31.5 kWDC SiflabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards

General Service Rate Plan





iDEAL Energies Deliverables - A Turnkey Service

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Project Task & Deliverables

- Solar Survey
- Site Electrical Systems Review
- System Layout and Electrical Engineering
- Structural Engineering & Analytical Testing (review of roof / soil adequacy to support the system)
- Rebate Application, Procurement, and Processing Fees, if any
- Utility Interconnection Agreement(s)
- Solar Array Equipment
- Solar Array Installation
- Electrical Connection – connect system to your building's electrical switchgear
- System monitoring equipment and software for web based monitoring
- Building Permit & Inspection
- Electrical Permit & Inspection
- Project Management
- Training
- Start-up
- Solar Array Supporting Documentation
- Federal Tax Credit Documentation
- All Other Required Deliverables

System Cost (Paid by Tenant) \$ 117,500

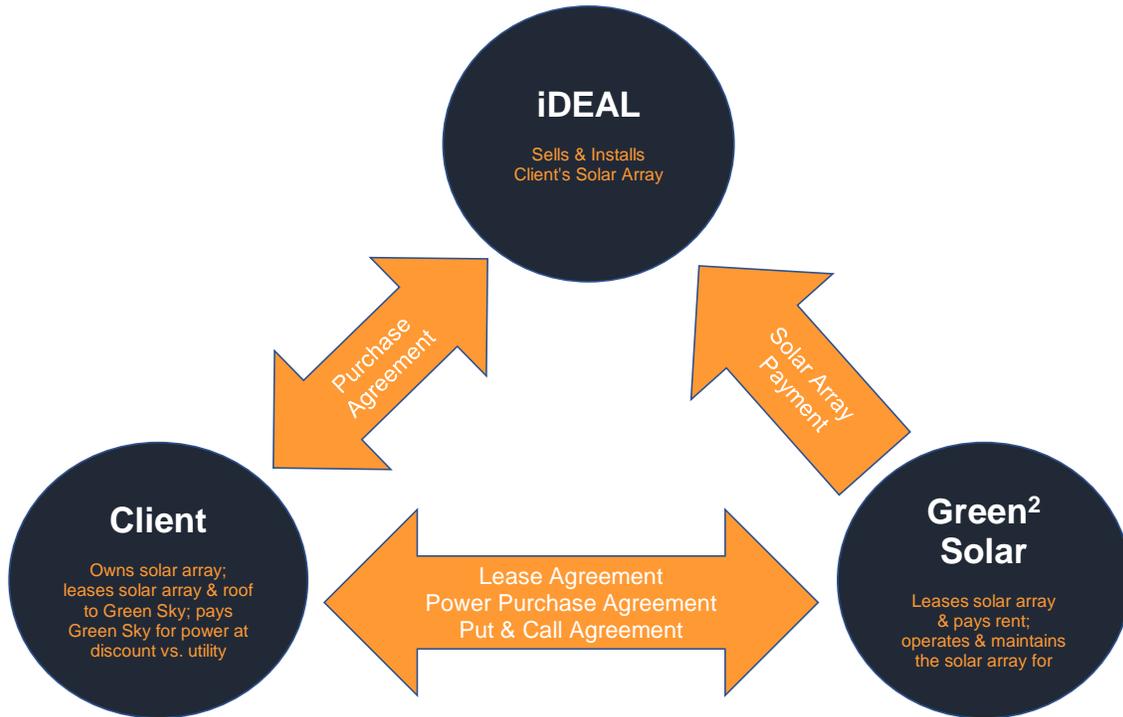
Customer's Financial Summary					
		<i>Power Payments</i>		<i>Put/Call</i>	<i>Total</i>
Call: Exercised by Customer	\$	42,548	\$	12,508	\$ 55,056
Put: Exercised by Tenant	\$	42,548	\$	1	\$ 42,549

Capital Lease - How It Works

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Our Capital Lease Program



Purchase, Lease-back, and Power Purchase Highlights

Client

1. Receives rent from Green² Solar Leasing
2. Pays Green² Solar Leasing for energy at discounted rate
3. Insures the Solar Array

Green² Solar Leasing

1. Pays rent to Client
2. Receives and uses tax benefits
3. Receives rebates
4. Operates and maintains solar array for Client

Ownership:

Our Client purchases their solar array from Ideal Energies and immediately owns it outright.

(Client is the fee title owner)

Lease:

Under the lease, Green² Solar Leasing pays Ideal Energies for the solar array, and becomes the tax owner so they can leverage tax benefits on the Client's behalf. The lease also assigns any rebates to Green² Solar Leasing to help pay for the solar array. Immediately after the purchase, the Client Leases the solar array to Green² Solar Leasing for annual lease payments, and Green² Solar Leasing operates and maintains the solar array on the Client's behalf.

Power Purchase:

The Client pays Green² Solar Leasing for the energy generated from the solar array at a discount vs. utility rates.

Put & Call:

If either party elects to exercise their options [Put Option: Green² Solar Leasing requires the Client to purchase Green² Solar Leasing's remaining interest for \$1; or Call Option: the Client requires Green² Solar Leasing to sell its remaining interest to the Client at fair market value], the Lease and Power Purchase Agreements terminate, and you will receive free Energy from your Solar Array thereafter!

A GREEN² OPPORTUNITY

Make Money. Save the Planet.

Cashflow Summary

[Elko New Market - City Hall & Fire Station 2017]

Capital Lease - Solar for Minnesota Non-Profits, Schools & Public Organizations

Xcel Solar*Rewards
General Service Rate Plan

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge





Solar Array Technical Information

Rooftop Ballasted Solar Array - 40 kWDC SiifabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Solar Array Specification (Typical)

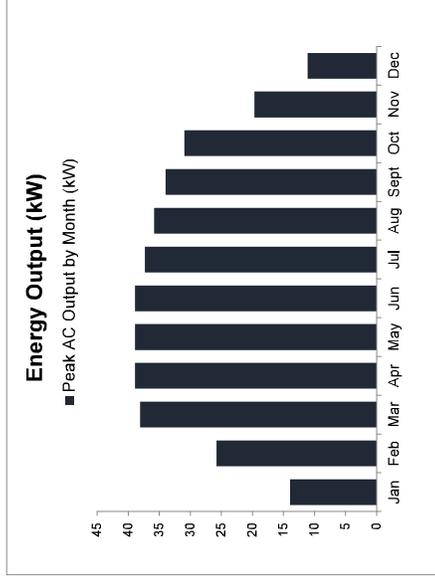
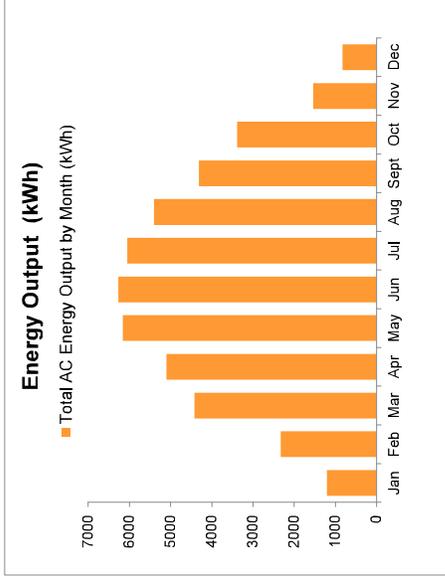
System Size (kW DC)	40.00
Inversion Ratio (DC / AC)	0.997
Maximum AC Output of Inverters (AC KW)	40.1
Maximum Peak AC Output including AC line losses (kW)	38.9
Expected Energy Production (kWh/kW DC)	1175
Expected Energy Production (kWh/Year)	47000

Expected Solar Array Production (kWh)

Typical Solar Array Energy Production (kWh) using NREL modeling, Helioscope or PV Syst modelling tools with average adjusted historical weather conditions in Minneapolis, MN using TMY3 Weather Data. <http://www.nrel.gov> Estimated performance is based on information including but not limited to the equipment used, the solar array's kW/DC size, AC/DC line losses, standard rectangular configuration, and the array pointing due south. Your System's energy production will vary with actual equipment, layout and weather conditions. Expected Energy Production above does not include annual degradation in solar panel DC output.

Expected Energy Production

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Total AC Energy Output by Month (kWh)	1209	2326	4421	5103	6160	6266	6053	5401	4312	3386	1539	824	47000
	2.6%	4.9%	9.4%	10.9%	13.1%	13.3%	12.9%	11.5%	9.2%	7.2%	3.3%	1.8%	100.0%
Peak AC Output by Month (kW)	14	26	38	39	39	39	37	36	34	31	20	11	
	35.8%	66.3%	97.9%	100.0%	100.0%	100.0%	95.9%	92.1%	87.3%	79.6%	50.6%	28.6%	





Utility Bill Savings

Net Metering - Energy and Demand Charge Savings

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

System Sizing & Energy Assumptions	
Solar system size (kW DC)	40.00
Year 1 system production (kWh/year)	47000
Year 1 degradation - reduction in kWh output (% / year)	3.00%
Year 2+ degradation - reduction in kWh output (% / year)	0.50%
Ten year average increase in utility costs (% / year)	4.50%

Energy Expense Savings (kWh) - Energy Reduction	
Utility Billing Plan	General Service Rate Plan A14
Year 1 annual energy expense savings (\$)	\$ 3,304
Year 1 utility cost (\$ / kWh)	\$ 0.0703

Demand Expense Savings (kW) - Demand Reduction	
Peak AC output available for reducing demand (kW)	38.90
Estimated AC output that reduces demand charges (%)	25.0%
Year 1 demand reduction realized (kW AC / month)	9.7
Year 1 average demand charge cost (\$ / kW)	\$ 13.71
Year 1 annual demand charge savings (\$)	\$ 1,599
Year 1 demand charge savings per kWh (\$ / kWh)	\$ 0.0340

Combined Energy & Demand Expense Savings	
Year 1 energy charge expense utility bill savings (\$/kWh)	\$ 0.0703
Year 1 demand charge expense utility bill savings (\$/kWh)	\$ 0.0340
Year 1 combined utility bill expense savings (\$/kWh)	\$ 0.1043

For documentation on the above assumptions, please refer to the product information documents and support documents available from your iDEAL salesperson. If you would like to use different assumptions, please ask.

Utility Bill Savings					
Year	Electricity Produced (kWh/year)	Annual Savings		Total Savings	
		Energy Expense Savings (\$/year)	Demand Expense Savings (\$/year)	Annual Savings (\$)	Cumulative Annual Savings (\$)
1	47000	\$ 3,304	\$ 1,599	\$ 4,903	\$ 4,903
2	45590	\$ 3,349	\$ 1,621	\$ 4,970	\$ 9,873
3	45362	\$ 3,482	\$ 1,686	\$ 5,168	\$ 15,041
4	45135	\$ 3,621	\$ 1,753	\$ 5,373	\$ 20,414
5	44910	\$ 3,765	\$ 1,822	\$ 5,587	\$ 26,001
6	44685	\$ 3,914	\$ 1,895	\$ 5,809	\$ 31,810
7	44462	\$ 4,070	\$ 1,970	\$ 6,040	\$ 37,850
8	44239	\$ 4,232	\$ 2,049	\$ 6,281	\$ 44,131
9	44018	\$ 4,400	\$ 2,130	\$ 6,530	\$ 50,661
10	43798	\$ 4,575	\$ 2,215	\$ 6,790	\$ 57,451
11	43579	\$ 4,757	\$ 2,303	\$ 7,060	\$ 64,511
12	43361	\$ 4,946	\$ 2,395	\$ 7,341	\$ 71,852
13	43144	\$ 5,143	\$ 2,490	\$ 7,633	\$ 79,485
14	42929	\$ 5,348	\$ 2,589	\$ 7,937	\$ 87,422
15	42714	\$ 5,560	\$ 2,692	\$ 8,252	\$ 95,674
16	42500	\$ 5,782	\$ 2,799	\$ 8,580	\$ 104,254
17	42288	\$ 6,011	\$ 2,910	\$ 8,922	\$ 113,176
18	42076	\$ 6,251	\$ 3,026	\$ 9,277	\$ 122,453
19	41866	\$ 6,499	\$ 3,146	\$ 9,646	\$ 132,098
20	41657	\$ 6,758	\$ 3,272	\$ 10,029	\$ 142,128
21	41448	\$ 7,026	\$ 3,402	\$ 10,428	\$ 152,556
22	41241	\$ 7,306	\$ 3,537	\$ 10,843	\$ 163,399
23	41035	\$ 7,597	\$ 3,678	\$ 11,274	\$ 174,673
24	40830	\$ 7,899	\$ 3,824	\$ 11,723	\$ 186,395
25	40626	\$ 8,213	\$ 3,976	\$ 12,189	\$ 198,584
26	40423	\$ 8,540	\$ 4,134	\$ 12,674	\$ 211,258
27	40220	\$ 8,879	\$ 4,299	\$ 13,178	\$ 224,436
28	40019	\$ 9,232	\$ 4,470	\$ 13,702	\$ 238,138
29	39819	\$ 9,600	\$ 4,647	\$ 14,247	\$ 252,384
30	39620	\$ 9,981	\$ 4,832	\$ 14,814	\$ 267,198
31	39422	\$ 10,378	\$ 5,024	\$ 15,403	\$ 282,601
32	39225	\$ 10,791	\$ 5,224	\$ 16,015	\$ 298,616
33	39029	\$ 11,220	\$ 5,432	\$ 16,652	\$ 315,269
34	38834	\$ 11,667	\$ 5,648	\$ 17,315	\$ 332,584
35	38639	\$ 12,131	\$ 5,873	\$ 18,004	\$ 350,587
36	38446	\$ 12,613	\$ 6,106	\$ 18,720	\$ 369,307
37	38254	\$ 13,115	\$ 6,349	\$ 19,464	\$ 388,771
38	38063	\$ 13,637	\$ 6,602	\$ 20,238	\$ 409,009
39	37872	\$ 14,179	\$ 6,864	\$ 21,043	\$ 430,052
40	37683	\$ 14,743	\$ 7,137	\$ 21,880	\$ 451,933



Capital Lease Financing Summary

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar® Rewards
General Service Rate Plan

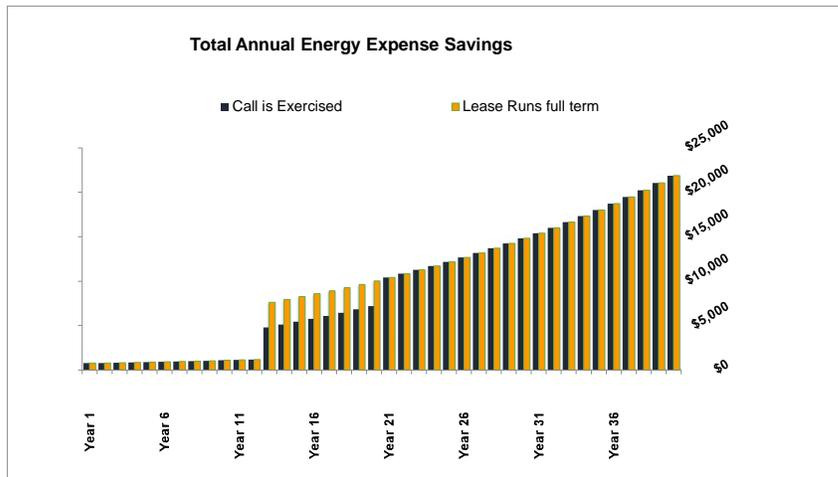
Utility Expense Savings with the Solar Array

Year	Utility Bill Expense Savings	Green Sky Utility Bill Expense	Green Sky Utility Bill Expense Savings
	(Utility Bill Expense Avoidance)	(Call is Exercised) (Power Purchase Expense)	(Call is Exercised) (Utility Bill Expense Savings)
1	\$4,903	\$3,923	\$981
2	\$4,970	\$3,976	\$994
3	\$5,168	\$4,134	\$1,033
4	\$5,373	\$4,299	\$1,075
5	\$5,587	\$4,470	\$1,117
6	\$5,809	\$4,647	\$1,162
7	\$6,040	\$4,832	\$1,208
8	\$6,281	\$5,024	\$1,256
9	\$6,530	\$5,224	\$1,306
10	\$6,790	\$5,432	\$1,358
11	\$7,060	\$5,648	\$1,412
12	\$7,341	\$5,873	\$1,468
13	\$7,633		\$7,633
14	\$7,937		\$7,937
15	\$8,252		\$8,252
16	\$8,580		\$8,580
17	\$8,922		\$8,922
18	\$9,277		\$9,277
19	\$9,646		\$9,646
20	\$10,029		\$10,029
21	\$10,428		\$10,428
22	\$10,843		\$10,843
23	\$11,274		\$11,274
24	\$11,723		\$11,723
25	\$12,189		\$12,189
Total	\$198,584	\$57,483	\$141,102

Assuming that you **20** terminate the Lease and Power Purchase Agreements by exercising your Call Option after year **12** you will receive approximately... **20.0%** Utility Bill Expense Savings during years **1 to 12**

Assuming an Average Annual Utility Rate Increase of **4.50%**

Thereafter, you will receive **ALL** of the **ENERGY** generated from your solar array for **FREE!**



The **orange bars** extending above the **dark blue bars** represent the **Total Additional Annual Energy Expense Savings Achieved** when the Put or Call is used to terminate the Lease & Power Purchase Agreements early

Capital Lease Outcome Summary - Example

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Lease Runs Full Term, Customer Exercises its Call Option, or Green² Solar Leasing Exercises its Put Option

Year	Utility Bill Expense Savings	Utility Bill Expense Green ² Solar Leasing		
		Lease Runs Full Term	If the Call is Exercised	If the Put is Exercised
	Utility Bill Expense Reduction	Power Purchase Expense	Power Purchase Expense	Power Purchase Expense
1	\$4,903	\$3,923	\$3,923	\$3,923
2	\$4,970	\$3,976	\$3,976	\$3,976
3	\$5,168	\$4,134	\$4,134	\$4,134
4	\$5,373	\$4,299	\$4,299	\$4,299
5	\$5,587	\$4,470	\$4,470	\$4,470
6	\$5,809	\$4,647	\$4,647	\$4,647
7	\$6,040	\$4,832	\$4,832	\$4,832
8	\$6,281	\$5,024	\$5,024	\$5,024
9	\$6,530	\$5,224	\$5,224	\$5,224
10	\$6,790	\$5,432	\$5,432	\$5,432
11	\$7,060	\$5,648	\$5,648	\$5,648
12	\$7,341	\$5,873	\$5,873	\$5,873
13	\$7,633	\$2,820	\$11,084	\$1
14	\$7,937	\$2,820		
15	\$8,252	\$2,820		
16	\$8,580	\$2,820		
17	\$8,922	\$2,820		
18	\$9,277	\$2,820		
19	\$9,646	\$2,820		
20	\$10,029	\$2,820		
21	\$10,428			
22	\$10,843			
23	\$11,274			
24	\$11,723			
25	\$12,189			
26	\$12,674			
27	\$13,178			
28	\$13,702			
29	\$14,247			
30	\$14,814			
31	\$15,403			
32	\$16,015			
33	\$16,652			
34	\$17,315			
35	\$18,004			
36	\$18,720			
37	\$19,464			
38	\$20,238			
39	\$21,043			
40	\$21,880			
	\$451,933	\$80,043	\$68,566	\$57,484

Year	Customer's Call Price Based on Tenant's Estimated Net Cashflow Over the Remaining Lease Term at Stated Discount		
	Tenant's Power Sales Income	Tenant's Expense	Tenant's Net Cashflow
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13	\$2,820	-\$350	\$2,470
14	\$2,820	-\$350	\$2,470
15	\$2,820	-\$350	\$2,470
16	\$2,820	-\$350	\$2,470
17	\$2,820	-\$350	\$2,470
18	\$2,820	-\$350	\$2,470
19	\$2,820	-\$350	\$2,470
20	\$2,820	-\$350	\$2,470
21			
22			
23			
24			
25			
	\$22,560	-\$2,800	\$19,760
	Discount Rate		15%
	Customer's Call Price:		\$11,084
	Tenant's Put Price:		\$1.00

1 **Customer's Call Option** - If Green² Solar does not exercise its Put Option, the Customer can require Green² Solar to sell its remaining interest to the Customer for the Call Price. (Can be exercised during months 3 to 6 after Call Date)

2 **Green² Solar Leasing's Put Option** - Green² Solar Leasing can require the Customer to purchase its remaining interest for the Put Price. (Can be exercised during months 1 to 3 after Put Date)

3 **If neither party exercises their Put or Call Options** - the Lease & Power Purchase agreements run full-term unless Green² Solar Leasing and Customer mutually agree to terminate them arrangement early.

Assumes Call or Put is exercised per the transaction documents.
This summary is intended only as an example.



Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings
 Rooftop Ballasted Solar Array - 40 kWDC SifabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
 General Service Rate Plan

Year	Customers' Utility Savings and Rent Income			Customer's Expenses			Annual Savings	
	Utility Bill Savings	Rent Revenue	Total Annual Customer Revenue	Energy Payment to GreenSky (subject to sales tax)	Insurance Expense & Utility Fees	Total Annual Expenses	Total Annual Energy Expense Savings	Total Cumulative Annual Energy Expense Savings
Year 1	\$ 4,903	\$ 100	\$ 5,003	\$ (3,923)	\$ (300)	\$ (4,223)	\$ 781	\$ 781
Year 2	\$ 4,970	\$ 100	\$ 5,070	\$ (3,976)	\$ (306)	\$ (4,282)	\$ 788	\$ 1,568
Year 3	\$ 5,168	\$ 100	\$ 5,268	\$ (4,134)	\$ (312)	\$ (4,446)	\$ 821	\$ 2,390
Year 4	\$ 5,373	\$ 100	\$ 5,473	\$ (4,298)	\$ (318)	\$ (4,617)	\$ 856	\$ 3,246
Year 5	\$ 5,587	\$ 100	\$ 5,687	\$ (4,470)	\$ (325)	\$ (4,794)	\$ 893	\$ 4,139
Year 6	\$ 5,809	\$ 100	\$ 5,909	\$ (4,647)	\$ (331)	\$ (4,979)	\$ 931	\$ 5,069
Year 7	\$ 6,040	\$ 100	\$ 6,140	\$ (4,832)	\$ (338)	\$ (5,170)	\$ 970	\$ 6,039
Year 8	\$ 6,281	\$ 100	\$ 6,381	\$ (5,026)	\$ (345)	\$ (5,368)	\$ 1,012	\$ 7,051
Year 9	\$ 6,530	\$ 100	\$ 6,630	\$ (5,224)	\$ (351)	\$ (5,576)	\$ 1,055	\$ 8,105
Year 10	\$ 6,790	\$ 100	\$ 6,890	\$ (5,432)	\$ (358)	\$ (5,791)	\$ 1,100	\$ 9,205
Year 11	\$ 7,060	\$ 100	\$ 7,160	\$ (5,648)	\$ (366)	\$ (6,014)	\$ 1,146	\$ 10,351
Year 12	\$ 7,341	\$ 100	\$ 7,441	\$ (5,873)	\$ (373)	\$ (6,246)	\$ 1,195	\$ 11,546
Year 13	\$ 7,633	\$ -	\$ 7,633	\$ -	\$ -	\$ -	\$ 7,633	\$ 19,179
Year 14	\$ 7,937	\$ -	\$ 7,937	\$ -	\$ -	\$ -	\$ 7,937	\$ 27,116
Year 15	\$ 8,252	\$ -	\$ 8,252	\$ -	\$ -	\$ -	\$ 8,252	\$ 35,368
Year 16	\$ 8,580	\$ -	\$ 8,580	\$ -	\$ -	\$ -	\$ 8,580	\$ 43,949
Year 17	\$ 8,922	\$ -	\$ 8,922	\$ -	\$ -	\$ -	\$ 8,922	\$ 52,870
Year 18	\$ 9,277	\$ -	\$ 9,277	\$ -	\$ -	\$ -	\$ 9,277	\$ 62,147
Year 19	\$ 9,646	\$ -	\$ 9,646	\$ -	\$ -	\$ -	\$ 9,646	\$ 71,792
Year 20	\$ 10,029	\$ -	\$ 10,029	\$ -	\$ -	\$ -	\$ 10,029	\$ 81,822
Year 21	\$ 10,428	\$ -	\$ 10,428	\$ -	\$ -	\$ -	\$ 10,428	\$ 92,250
Year 22	\$ 10,843	\$ -	\$ 10,843	\$ -	\$ -	\$ -	\$ 10,843	\$ 103,093
Year 23	\$ 11,274	\$ -	\$ 11,274	\$ -	\$ -	\$ -	\$ 11,274	\$ 114,367
Year 24	\$ 11,723	\$ -	\$ 11,723	\$ -	\$ -	\$ -	\$ 11,723	\$ 126,090
Year 25	\$ 12,189	\$ -	\$ 12,189	\$ -	\$ -	\$ -	\$ 12,189	\$ 138,278
Year 26	\$ 12,674	\$ -	\$ 12,674	\$ -	\$ -	\$ -	\$ 12,674	\$ 150,952
Year 27	\$ 13,178	\$ -	\$ 13,178	\$ -	\$ -	\$ -	\$ 13,178	\$ 164,130
Year 28	\$ 13,702	\$ -	\$ 13,702	\$ -	\$ -	\$ -	\$ 13,702	\$ 177,832
Year 29	\$ 14,247	\$ -	\$ 14,247	\$ -	\$ -	\$ -	\$ 14,247	\$ 192,079
Year 30	\$ 14,814	\$ -	\$ 14,814	\$ -	\$ -	\$ -	\$ 14,814	\$ 206,892
Year 31	\$ 15,403	\$ -	\$ 15,403	\$ -	\$ -	\$ -	\$ 15,403	\$ 222,295
Year 32	\$ 16,015	\$ -	\$ 16,015	\$ -	\$ -	\$ -	\$ 16,015	\$ 238,310
Year 33	\$ 16,652	\$ -	\$ 16,652	\$ -	\$ -	\$ -	\$ 16,652	\$ 254,963
Year 34	\$ 17,315	\$ -	\$ 17,315	\$ -	\$ -	\$ -	\$ 17,315	\$ 272,278
Year 35	\$ 18,004	\$ -	\$ 18,004	\$ -	\$ -	\$ -	\$ 18,004	\$ 290,281
Year 36	\$ 18,720	\$ -	\$ 18,720	\$ -	\$ -	\$ -	\$ 18,720	\$ 309,001
Year 37	\$ 19,464	\$ -	\$ 19,464	\$ -	\$ -	\$ -	\$ 19,464	\$ 328,465
Year 38	\$ 20,238	\$ -	\$ 20,238	\$ -	\$ -	\$ -	\$ 20,238	\$ 348,703
Year 39	\$ 21,043	\$ -	\$ 21,043	\$ -	\$ -	\$ -	\$ 21,043	\$ 369,746
Year 40	\$ 21,880	\$ -	\$ 21,880	\$ -	\$ -	\$ -	\$ 21,880	\$ 391,627
TOTAL	\$ 451,933	\$ 1,200	\$ 453,133	\$ (57,463)	\$ (4,023)	\$ (61,506)	\$ 391,627	\$ 391,627

Assumes Call is exercised per the transaction documents. This Cashflow summary is intended only as an example.

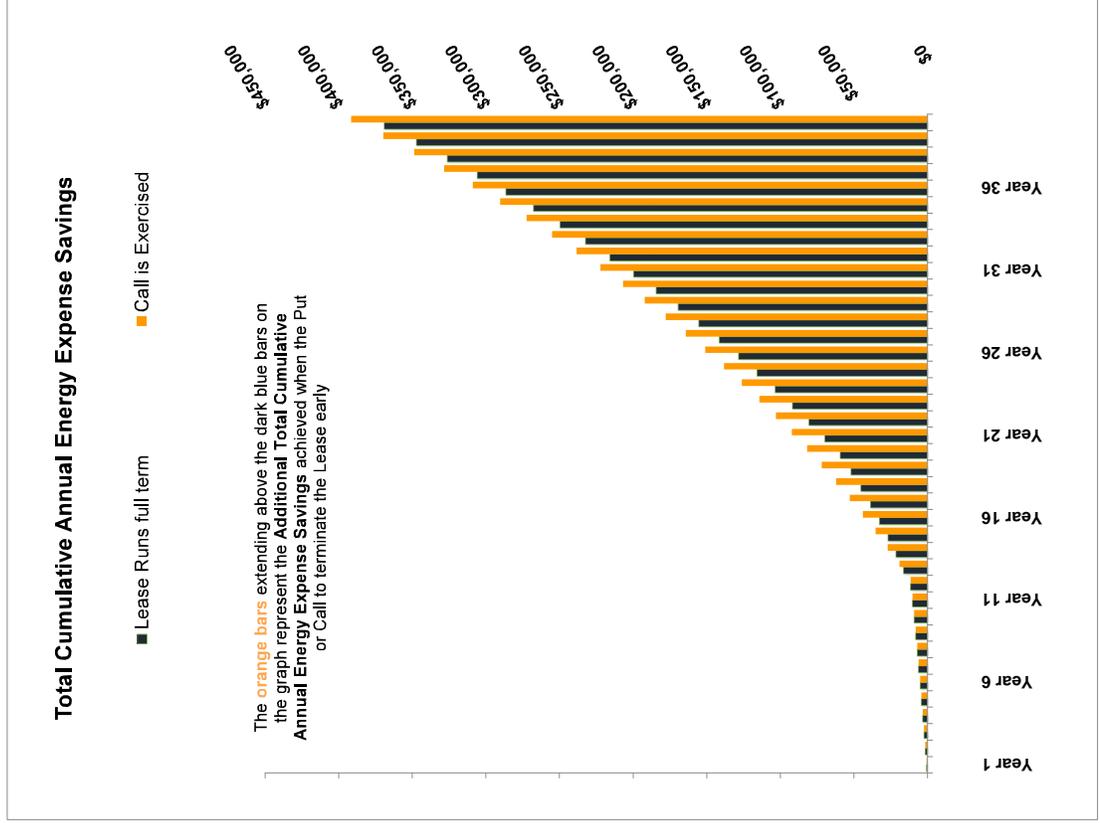
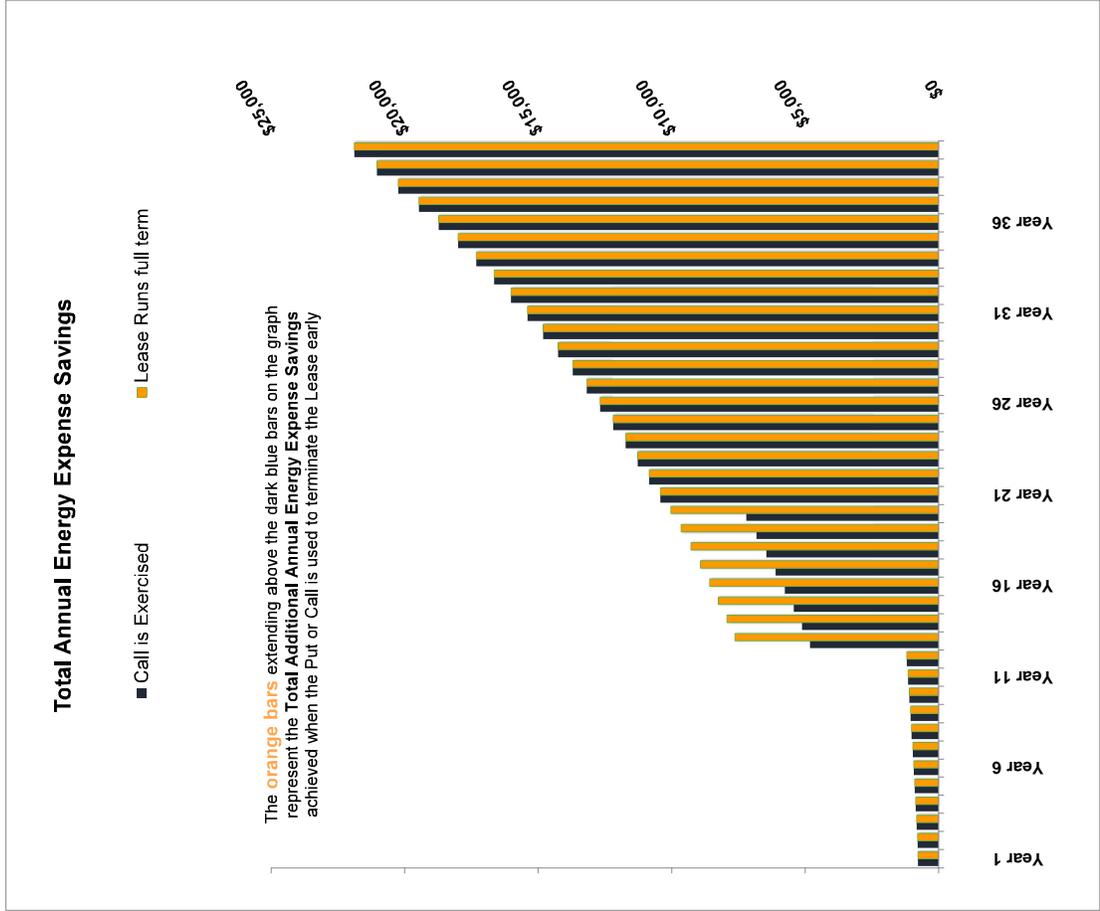


Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings

Rooftop Ballasted Solar Array - 40 kWDC SiffabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards

General Service Rate Plan





iDEAL Energies Deliverables - A Turnkey Service

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Project Task & Deliverables

- Solar Survey
- Site Electrical Systems Review
- System Layout and Electrical Engineering
- Structural Engineering & Analytical Testing (review of roof / soil adequacy to support the system)
- Rebate Application, Procurement, and Processing Fees, if any
- Utility Interconnection Agreement(s)
- Solar Array Equipment
- Solar Array Installation
- Electrical Connection – connect system to your building's electrical switchgear
- System monitoring equipment and software for web based monitoring
- Building Permit & Inspection
- Electrical Permit & Inspection
- Project Management
- Training
- Start-up
- Solar Array Supporting Documentation
- Federal Tax Credit Documentation
- All Other Required Deliverables

System Cost (Paid by Tenant) \$ 149,000

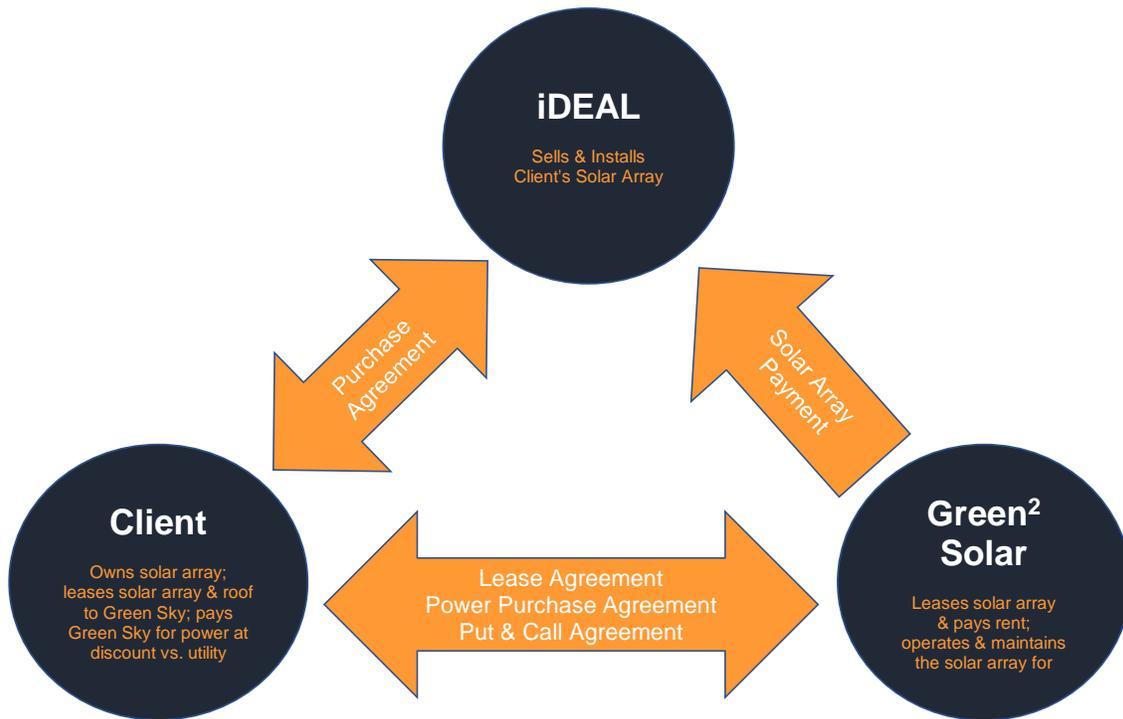
Customer's Financial Summary					
	<i>Power Payments</i>		<i>Put/Call</i>		<i>Total</i>
Call: Exercised by Customer	\$ 57,483	\$	11,084	\$	68,566
Put: Exercised by Tenant	\$ 57,483	\$	1	\$	57,484

Capital Lease - How It Works

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340-345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Our Capital Lease Program



Purchase, Lease-back, and Power Purchase Highlights

Client

1. Receives rent from Green² Solar Leasing
2. Pays Green² Solar Leasing for energy at discounted rate
3. Insures the Solar Array

Ownership:

Our Client purchases their solar array from Ideal Energies and immediately owns it outright.

(Client is the fee title owner)

Lease:

Under the lease, Green² Solar Leasing pays Ideal Energies for the solar array, and becomes the tax owner so they can leverage tax benefits on the Client's behalf. The lease also assigns any rebates to Green² Solar Leasing to help pay for the solar array. Immediately after the purchase, the Client Leases the solar array to Green² Solar Leasing for annual lease payments, and Green² Solar Leasing operates and maintains the solar array on the Client's behalf.

Green² Solar Leasing

1. Pays rent to Client
2. Receives and uses tax benefits
3. Receives rebates
4. Operates and maintains solar array for Client

Power Purchase:

The Client pays Green² Solar Leasing for the energy generated from the solar array at a discount vs. utility rates.

Put & Call:

If either party elects to exercise their options [Put Option: Green² Solar Leasing requires the Client to purchase Green² Solar Leasing's remaining interest for \$1; or Call Option: the Client requires Green² Solar Leasing to sell its remaining interest to the Client at fair market value], the Lease and Power Purchase Agreements terminate, and you will receive free Energy from your Solar Array thereafter!

A GREEN² OPPORTUNITY

Make Money. Save the Planet.

Cashflow Summary

[Elko New Market - Public Works]

Capital Lease - Solar for Minnesota Schools & Public Organizations

Xcel Solar*Rewards
General Service Rate Plan

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge





Solar Array Technical Information

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Solar Array Specification (Typical)

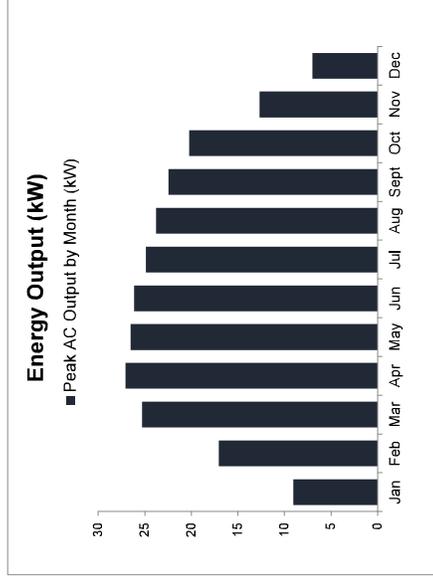
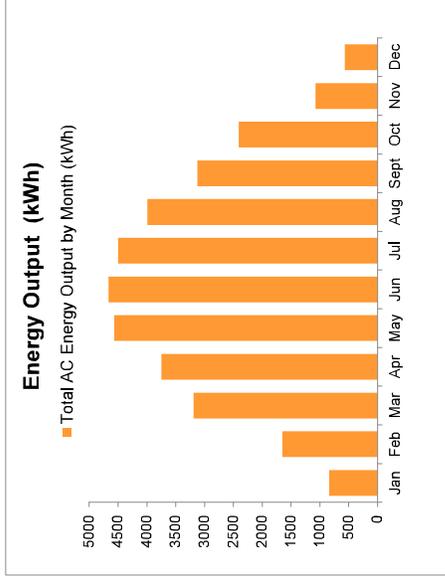
System Size (kW DC)	31.50
Inversion Ratio (DC / AC)	0.945
Maximum AC Output of Inverters (AC KW)	30.5
Maximum Peak AC Output including AC line losses (kW)	29.6
Expected Energy Production (kWh/kW DC)	1090
Expected Energy Production (kWh/Year)	34335

Expected Solar Array Production (kWh)

Typical Solar Array Energy Production (kWh) using NREL modeling, Helioscope or PV Syst modelling tools with average adjusted historical weather conditions in Minneapolis, MN using TMY3 Weather Data. <http://www.nrel.gov> Estimated performance is based on information including but not limited to the equipment used, the solar array's kW/DC size, AC/DC line losses, standard rectangular configuration, and the array pointing due south. Your System's energy production will vary with actual equipment, layout and weather conditions. Expected Energy Production above does not include annual degradation in solar panel DC output.

Expected Energy Production

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Total AC Energy Output by Month (kWh)	841	1649	3193	3749	4585	4867	4501	3991	3123	2408	1078	570	34335
	2.4%	4.8%	9.3%	10.9%	13.3%	13.6%	13.1%	11.6%	9.1%	7.0%	3.1%	1.7%	100.0%
Peak AC Output by Month (kW)	9	17	25	27	27	26	25	24	22	20	13	7	
	30.6%	57.7%	85.5%	91.5%	89.7%	88.4%	84.2%	80.5%	75.9%	68.4%	42.9%	23.7%	





Utility Bill Savings

Net Metering - Energy and Demand Charge Savings

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

System Sizing & Energy Assumptions	
Solar system size (kW DC)	31.50
Year 1 system production (kWh/year)	34335
Year 1 degradation - reduction in kWh output (% / year)	3.00%
Year 2+ degradation - reduction in kWh output (% / year)	0.50%
Ten year average increase in utility costs (% / year)	4.50%

Energy Expense Savings (kWh) - Energy Reduction	
Utility Billing Plan	General Service Rate Plan A14
Year 1 annual energy expense savings (\$)	\$ 2,413
Year 1 utility cost (\$ / kWh)	\$ 0.0703

Demand Expense Savings (kW) - Demand Reduction	
Peak AC output available for reducing demand (kW)	29.57
Estimated AC output that reduces demand charges (%)	25.0%
Year 1 demand reduction realized (kW AC / month)	7.4
Year 1 average demand charge cost (\$ / kW)	\$ 13.70
Year 1 annual demand charge savings (\$)	\$ 1,216
Year 1 demand charge savings per kWh (\$ / kWh)	\$ 0.0354

Combined Energy & Demand Expense Savings	
Year 1 energy charge expense utility bill savings (\$/kWh)	\$ 0.0703
Year 1 demand charge expense utility bill savings (\$/kWh)	\$ 0.0354
Year 1 combined utility bill expense savings (\$/kWh)	\$ 0.1057

For documentation on the above assumptions, please refer to the product information documents and support documents available from your iDEAL salesperson. If you would like to use different assumptions, please ask.

Utility Bill Savings					
Year	Electricity Produced (kWh/year)	Annual Savings		Total Savings	
		Energy Expense Savings (\$/year)	Demand Expense Savings (\$/year)	Annual Savings (\$)	Cumulative Annual Savings (\$)
1	34335	\$ 2,413	\$ 1,216	\$ 3,629	\$ 3,629
2	33305	\$ 2,446	\$ 1,232	\$ 3,679	\$ 7,308
3	33138	\$ 2,544	\$ 1,281	\$ 3,825	\$ 11,133
4	32973	\$ 2,645	\$ 1,332	\$ 3,977	\$ 15,110
5	32808	\$ 2,750	\$ 1,385	\$ 4,135	\$ 19,246
6	32644	\$ 2,859	\$ 1,440	\$ 4,300	\$ 23,545
7	32481	\$ 2,973	\$ 1,498	\$ 4,471	\$ 28,016
8	32318	\$ 3,091	\$ 1,557	\$ 4,649	\$ 32,665
9	32157	\$ 3,214	\$ 1,619	\$ 4,834	\$ 37,499
10	31996	\$ 3,342	\$ 1,684	\$ 5,026	\$ 42,524
11	31836	\$ 3,475	\$ 1,751	\$ 5,226	\$ 47,750
12	31677	\$ 3,613	\$ 1,820	\$ 5,434	\$ 53,184
13	31518	\$ 3,757	\$ 1,893	\$ 5,650	\$ 58,834
14	31361	\$ 3,907	\$ 1,968	\$ 5,874	\$ 64,708
15	31204	\$ 4,062	\$ 2,046	\$ 6,108	\$ 70,816
16	31048	\$ 4,224	\$ 2,128	\$ 6,351	\$ 77,167
17	30893	\$ 4,392	\$ 2,212	\$ 6,604	\$ 83,771
18	30738	\$ 4,566	\$ 2,300	\$ 6,866	\$ 90,637
19	30584	\$ 4,748	\$ 2,392	\$ 7,139	\$ 97,777
20	30432	\$ 4,937	\$ 2,487	\$ 7,423	\$ 105,200
21	30279	\$ 5,133	\$ 2,586	\$ 7,719	\$ 112,919
22	30128	\$ 5,337	\$ 2,688	\$ 8,026	\$ 120,945
23	29977	\$ 5,550	\$ 2,795	\$ 8,345	\$ 129,290
24	29827	\$ 5,770	\$ 2,907	\$ 8,677	\$ 137,966
25	29678	\$ 6,000	\$ 3,022	\$ 9,022	\$ 146,988
26	29530	\$ 6,238	\$ 3,142	\$ 9,381	\$ 156,369
27	29382	\$ 6,487	\$ 3,267	\$ 9,754	\$ 166,123
28	29235	\$ 6,745	\$ 3,397	\$ 10,142	\$ 176,265
29	29089	\$ 7,013	\$ 3,532	\$ 10,545	\$ 186,810
30	28944	\$ 7,292	\$ 3,673	\$ 10,965	\$ 197,775
31	28799	\$ 7,582	\$ 3,819	\$ 11,401	\$ 209,176
32	28655	\$ 7,883	\$ 3,971	\$ 11,854	\$ 221,030
33	28512	\$ 8,197	\$ 4,129	\$ 12,326	\$ 233,356
34	28369	\$ 8,523	\$ 4,293	\$ 12,816	\$ 246,172
35	28227	\$ 8,862	\$ 4,464	\$ 13,326	\$ 259,498
36	28086	\$ 9,214	\$ 4,641	\$ 13,856	\$ 273,354
37	27946	\$ 9,581	\$ 4,826	\$ 14,407	\$ 287,761
38	27806	\$ 9,962	\$ 5,018	\$ 14,980	\$ 302,741
39	27667	\$ 10,358	\$ 5,218	\$ 15,576	\$ 318,317
40	27529	\$ 10,770	\$ 5,425	\$ 16,195	\$ 334,512



Capital Lease Financing Summary

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar® Rewards
General Service Rate Plan

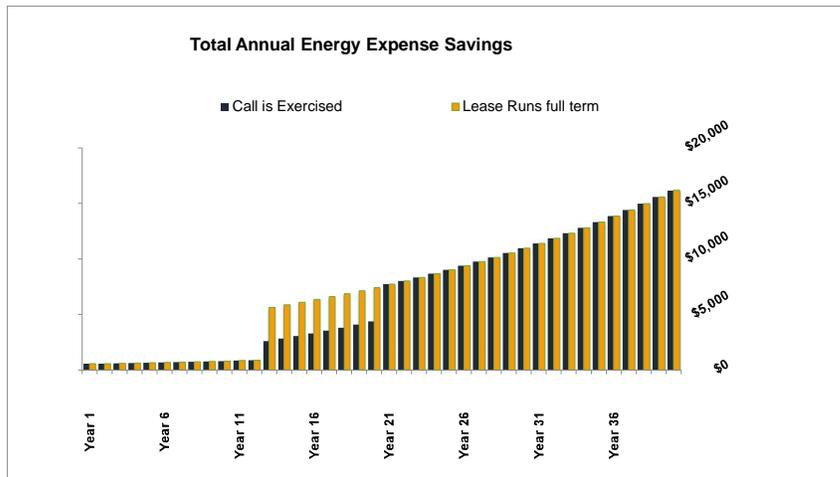
Utility Expense Savings with the Solar Array

Year	Utility Bill Expense Savings	Green Sky Utility Bill Expense	Green Sky Utility Bill Expense Savings
	(Utility Bill Expense Avoidance)	(Call is Exercised) (Power Purchase Expense)	(Call is Exercised) (Utility Bill Expense Savings)
1	\$3,629	\$2,903	\$726
2	\$3,679	\$2,943	\$736
3	\$3,825	\$3,060	\$765
4	\$3,977	\$3,182	\$795
5	\$4,135	\$3,308	\$827
6	\$4,300	\$3,440	\$860
7	\$4,471	\$3,577	\$894
8	\$4,649	\$3,719	\$930
9	\$4,834	\$3,867	\$967
10	\$5,026	\$4,021	\$1,005
11	\$5,226	\$4,181	\$1,045
12	\$5,434	\$4,347	\$1,087
13	\$5,650		\$5,650
14	\$5,874		\$5,874
15	\$6,108		\$6,108
16	\$6,351		\$6,351
17	\$6,604		\$6,604
18	\$6,866		\$6,866
19	\$7,139		\$7,139
20	\$7,423		\$7,423
21	\$7,719		\$7,719
22	\$8,026		\$8,026
23	\$8,345		\$8,345
24	\$8,677		\$8,677
25	\$9,022		\$9,022
Total	\$146,988	\$42,548	\$104,441

Assuming that you **20** terminate the Lease and Power Purchase Agreements by exercising your Call Option after year **12** you will receive approximately... **20.0%** Utility Bill Expense Savings during years **1 to 12**

Assuming an Average Annual Utility Rate Increase of **4.50%**

Thereafter, you will receive **ALL** of the **ENERGY** generated from your solar array for **FREE!**



The **orange bars** extending above the **dark blue bars** represent the **Total Additional Annual Energy Expense Savings Achieved** when the Put or Call is used to terminate the Lease & Power Purchase Agreements early

Capital Lease Outcome Summary - Example

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Lease Runs Full Term, Customer Exercises its Call Option, or Green² Solar Leasing Exercises its Put Option

Year	Utility Bill Expense Savings	Utility Bill Expense Green ² Solar Leasing		
		Lease Runs Full Term	If the Call is Exercised	If the Put is Exercised
	Utility Bill Expense Reduction	Power Purchase Expense	Power Purchase Expense	Power Purchase Expense
1	\$3,629	\$2,903	\$2,903	\$2,903
2	\$3,679	\$2,943	\$2,943	\$2,943
3	\$3,825	\$3,060	\$3,060	\$3,060
4	\$3,977	\$3,182	\$3,182	\$3,182
5	\$4,135	\$3,308	\$3,308	\$3,308
6	\$4,300	\$3,440	\$3,440	\$3,440
7	\$4,471	\$3,577	\$3,577	\$3,577
8	\$4,649	\$3,719	\$3,719	\$3,719
9	\$4,834	\$3,867	\$3,867	\$3,867
10	\$5,026	\$4,021	\$4,021	\$4,021
11	\$5,226	\$4,181	\$4,181	\$4,181
12	\$5,434	\$4,347	\$4,347	\$4,347
13	\$5,650	\$3,050	\$12,508	\$1
14	\$5,874	\$3,050		
15	\$6,108	\$3,050		
16	\$6,351	\$3,050		
17	\$6,604	\$3,050		
18	\$6,866	\$3,050		
19	\$7,139	\$3,050		
20	\$7,423	\$3,050		
21	\$7,719			
22	\$8,026			
23	\$8,345			
24	\$8,677			
25	\$9,022			
26	\$9,381			
27	\$9,754			
28	\$10,142			
29	\$10,545			
30	\$10,965			
31	\$11,401			
32	\$11,854			
33	\$12,326			
34	\$12,816			
35	\$13,326			
36	\$13,856			
37	\$14,407			
38	\$14,980			
39	\$15,576			
40	\$16,195			
	\$334,512	\$66,948	\$55,056	\$42,549

Year	Customer's Call Price Based on Tenant's Estimated Net Cashflow Over the Remaining Lease Term at Stated Discount		
	Tenant's Power Sales Income	Tenant's Expense	Tenant's Net Cashflow
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13	\$3,050	-\$263	\$2,788
14	\$3,050	-\$263	\$2,788
15	\$3,050	-\$263	\$2,788
16	\$3,050	-\$263	\$2,788
17	\$3,050	-\$263	\$2,788
18	\$3,050	-\$263	\$2,788
19	\$3,050	-\$263	\$2,788
20	\$3,050	-\$263	\$2,788
21			
22			
23			
24			
25			
	\$24,400	-\$2,100	\$22,300
	Discount Rate		15%
	Customer's Call Price:		\$12,508
	Tenant's Put Price:		\$1.00

1 **Customer's Call Option** - If Green² Solar does not exercise its Put Option, the Customer can require Green² Solar to sell its remaining interest to the Customer for the Call Price. (Can be exercised during months 3 to 6 after Call Date)

2 **Green² Solar Leasing's Put Option** - Green² Solar Leasing can require the Customer to purchase its remaining interest for the Put Price. (Can be exercised during months 1 to 3 after Put Date)

3 **If neither party exercises their Put or Call Options** - the Lease & Power Purchase agreements run full-term unless Green² Solar Leasing and Customer mutually agree to terminate them arrangement early.

Assumes Call or Put is exercised per the transaction documents.
This summary is intended only as an example.



Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings

Rooftop Flushmounted Solar Array - 31.5 kWDC SiflabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Year	Customers Utility Savings and Rent Income			Customer's Expenses			Annual Savings	
	Utility Bill Savings	Rent Revenue	Total Annual Customer Revenue	Energy Payment to GreenSky (subject to sales tax)	Insurance Expense & Utility Fees	Total Annual Expenses	Total Annual Energy Expense Savings	Total Cumulative Annual Energy Expense Savings
Year 1	\$ 3,629	\$ 75	\$ 3,704	\$ (2,903)	\$ (225)	\$ (3,128)	\$ 576	\$ 576
Year 2	\$ 3,679	\$ 75	\$ 3,754	\$ (2,943)	\$ (230)	\$ (3,173)	\$ 581	\$ 1,157
Year 3	\$ 3,825	\$ 75	\$ 3,900	\$ (3,060)	\$ (234)	\$ (3,294)	\$ 606	\$ 1,763
Year 4	\$ 3,977	\$ 75	\$ 4,052	\$ (3,182)	\$ (238)	\$ (3,421)	\$ 632	\$ 2,394
Year 5	\$ 4,135	\$ 75	\$ 4,210	\$ (3,309)	\$ (244)	\$ (3,552)	\$ 658	\$ 3,053
Year 6	\$ 4,300	\$ 75	\$ 4,375	\$ (3,440)	\$ (248)	\$ (3,688)	\$ 687	\$ 3,739
Year 7	\$ 4,471	\$ 75	\$ 4,546	\$ (3,577)	\$ (253)	\$ (3,830)	\$ 716	\$ 4,455
Year 8	\$ 4,648	\$ 75	\$ 4,724	\$ (3,719)	\$ (258)	\$ (3,977)	\$ 746	\$ 5,201
Year 9	\$ 4,834	\$ 75	\$ 4,909	\$ (3,867)	\$ (264)	\$ (4,131)	\$ 778	\$ 5,980
Year 10	\$ 5,026	\$ 75	\$ 5,101	\$ (4,021)	\$ (269)	\$ (4,290)	\$ 811	\$ 6,791
Year 11	\$ 5,226	\$ 75	\$ 5,301	\$ (4,181)	\$ (274)	\$ (4,455)	\$ 846	\$ 7,637
Year 12	\$ 5,434	\$ 75	\$ 5,509	\$ (4,347)	\$ (280)	\$ (4,627)	\$ 882	\$ 8,519
Year 13	\$ 5,650	\$ -	\$ 5,650	\$ -	\$ -	\$ -	\$ 5,650	\$ 14,168
Year 14	\$ 5,874	\$ -	\$ 5,874	\$ -	\$ -	\$ -	\$ 5,874	\$ 20,043
Year 15	\$ 6,108	\$ -	\$ 6,108	\$ -	\$ -	\$ -	\$ 6,108	\$ 26,151
Year 16	\$ 6,351	\$ -	\$ 6,351	\$ -	\$ -	\$ -	\$ 6,351	\$ 32,502
Year 17	\$ 6,604	\$ -	\$ 6,604	\$ -	\$ -	\$ -	\$ 6,604	\$ 39,106
Year 18	\$ 6,866	\$ -	\$ 6,866	\$ -	\$ -	\$ -	\$ 6,866	\$ 45,972
Year 19	\$ 7,139	\$ -	\$ 7,139	\$ -	\$ -	\$ -	\$ 7,139	\$ 53,112
Year 20	\$ 7,423	\$ -	\$ 7,423	\$ -	\$ -	\$ -	\$ 7,423	\$ 60,535
Year 21	\$ 7,719	\$ -	\$ 7,719	\$ -	\$ -	\$ -	\$ 7,719	\$ 68,254
Year 22	\$ 8,026	\$ -	\$ 8,026	\$ -	\$ -	\$ -	\$ 8,026	\$ 76,279
Year 23	\$ 8,345	\$ -	\$ 8,345	\$ -	\$ -	\$ -	\$ 8,345	\$ 84,624
Year 24	\$ 8,677	\$ -	\$ 8,677	\$ -	\$ -	\$ -	\$ 8,677	\$ 93,301
Year 25	\$ 9,022	\$ -	\$ 9,022	\$ -	\$ -	\$ -	\$ 9,022	\$ 102,323
Year 26	\$ 9,381	\$ -	\$ 9,381	\$ -	\$ -	\$ -	\$ 9,381	\$ 111,704
Year 27	\$ 9,754	\$ -	\$ 9,754	\$ -	\$ -	\$ -	\$ 9,754	\$ 121,458
Year 28	\$ 10,142	\$ -	\$ 10,142	\$ -	\$ -	\$ -	\$ 10,142	\$ 131,600
Year 29	\$ 10,545	\$ -	\$ 10,545	\$ -	\$ -	\$ -	\$ 10,545	\$ 142,145
Year 30	\$ 10,965	\$ -	\$ 10,965	\$ -	\$ -	\$ -	\$ 10,965	\$ 153,110
Year 31	\$ 11,401	\$ -	\$ 11,401	\$ -	\$ -	\$ -	\$ 11,401	\$ 164,511
Year 32	\$ 11,854	\$ -	\$ 11,854	\$ -	\$ -	\$ -	\$ 11,854	\$ 176,365
Year 33	\$ 12,326	\$ -	\$ 12,326	\$ -	\$ -	\$ -	\$ 12,326	\$ 188,691
Year 34	\$ 12,816	\$ -	\$ 12,816	\$ -	\$ -	\$ -	\$ 12,816	\$ 201,507
Year 35	\$ 13,326	\$ -	\$ 13,326	\$ -	\$ -	\$ -	\$ 13,326	\$ 214,833
Year 36	\$ 13,856	\$ -	\$ 13,856	\$ -	\$ -	\$ -	\$ 13,856	\$ 228,689
Year 37	\$ 14,407	\$ -	\$ 14,407	\$ -	\$ -	\$ -	\$ 14,407	\$ 243,096
Year 38	\$ 14,980	\$ -	\$ 14,980	\$ -	\$ -	\$ -	\$ 14,980	\$ 258,076
Year 39	\$ 15,576	\$ -	\$ 15,576	\$ -	\$ -	\$ -	\$ 15,576	\$ 273,652
Year 40	\$ 16,195	\$ -	\$ 16,195	\$ -	\$ -	\$ -	\$ 16,195	\$ 289,847
TOTAL	\$ 334,512	\$ 900	\$ 335,412	\$ (42,548)	\$ (3,018)	\$ (45,565)	\$ 289,847	\$ 289,847

Assumes Call is exercised per the transaction documents. This Cashflow summary is intended only as an example.

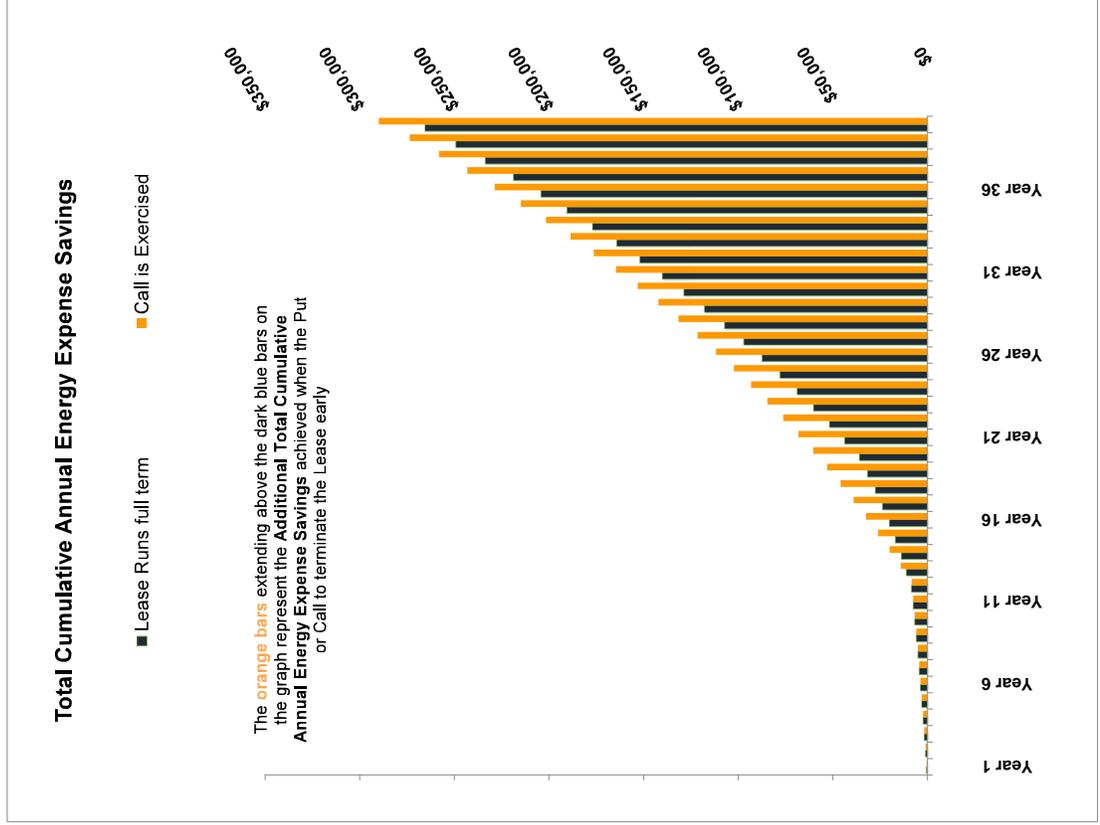
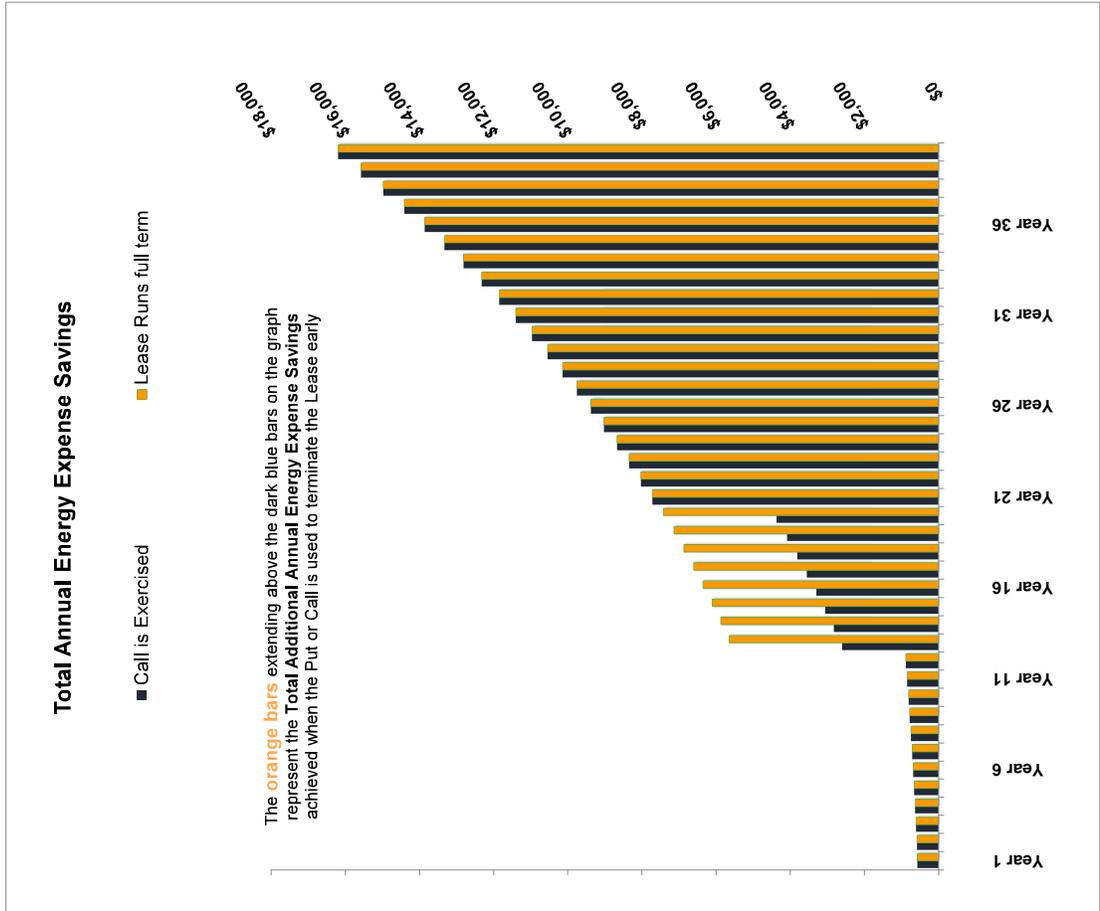


Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings

Rooftop Flushmounted Solar Array - 31.5 kWDC SiflabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards

General Service Rate Plan





iDEAL Energies Deliverables - A Turnkey Service

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Project Task & Deliverables

- Solar Survey
- Site Electrical Systems Review
- System Layout and Electrical Engineering
- Structural Engineering & Analytical Testing (review of roof / soil adequacy to support the system)
- Rebate Application, Procurement, and Processing Fees, if any
- Utility Interconnection Agreement(s)
- Solar Array Equipment
- Solar Array Installation
- Electrical Connection – connect system to your building's electrical switchgear
- System monitoring equipment and software for web based monitoring
- Building Permit & Inspection
- Electrical Permit & Inspection
- Project Management
- Training
- Start-up
- Solar Array Supporting Documentation
- Federal Tax Credit Documentation
- All Other Required Deliverables

System Cost (Paid by Tenant) \$ 117,500

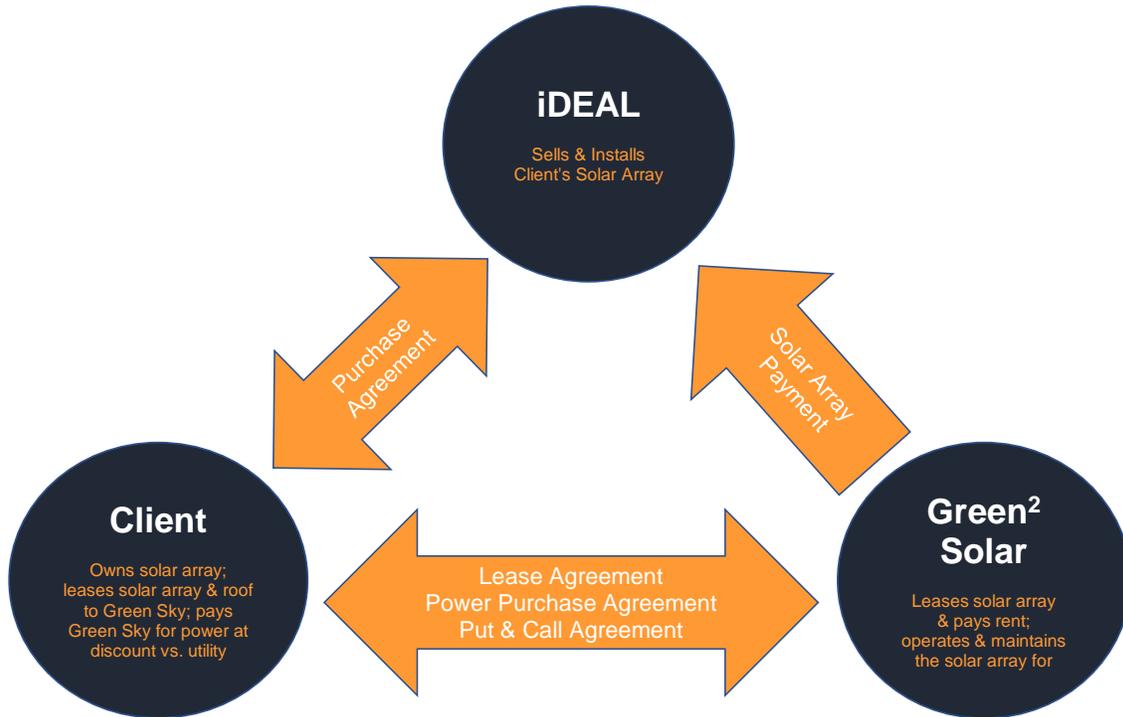
Customer's Financial Summary					
	<i>Power Payments</i>		<i>Put/Call</i>		<i>Total</i>
Call: Exercised by Customer	\$ 42,548	\$	12,508	\$	55,056
Put: Exercised by Tenant	\$ 42,548	\$	1	\$	42,549

Capital Lease - How It Works

Rooftop Flushmounted Solar Array - 31.5 kWDC SilfabSLG350M Solar Panels @ 5° w/ 33.3 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Our Capital Lease Program



Purchase, Lease-back, and Power Purchase Highlights

Client

1. Receives rent from Green² Solar Leasing
2. Pays Green² Solar Leasing for energy at discounted rate
3. Insures the Solar Array

Green² Solar Leasing

1. Pays rent to Client
2. Receives and uses tax benefits
3. Receives rebates
4. Operates and maintains solar array for Client

Ownership:

Our Client purchases their solar array from Ideal Energies and immediately owns it outright.

(Client is the fee title owner)

Lease:

Under the lease, Green² Solar Leasing pays Ideal Energies for the solar array, and becomes the tax owner so they can leverage tax benefits on the Client's behalf. The lease also assigns any rebates to Green² Solar Leasing to help pay for the solar array. Immediately after the purchase, the Client Leases the solar array to Green² Solar Leasing for annual lease payments, and Green² Solar Leasing operates and maintains the solar array on the Client's behalf.

Power Purchase:

The Client pays Green² Solar Leasing for the energy generated from the solar array at a discount vs. utility rates.

Put & Call:

If either party elects to exercise their options [Put Option: Green² Solar Leasing requires the Client to purchase Green² Solar Leasing's remaining interest for \$1; or Call Option: the Client requires Green² Solar Leasing to sell its remaining interest to the Client at fair market value], the Lease and Power Purchase Agreements terminate, and you will receive free Energy from your Solar Array thereafter!

A GREEN² OPPORTUNITY

Make Money. Save the Planet.

Cashflow Summary

[Elko New Market - City Hall & Fire Station 2018]

Capital Lease - Solar for Minnesota Non-Profits, Schools & Public Organizations

Xcel Solar*Rewards
General Service Rate Plan

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge





Solar Array Technical Information

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Solar Array Specification (Typical)

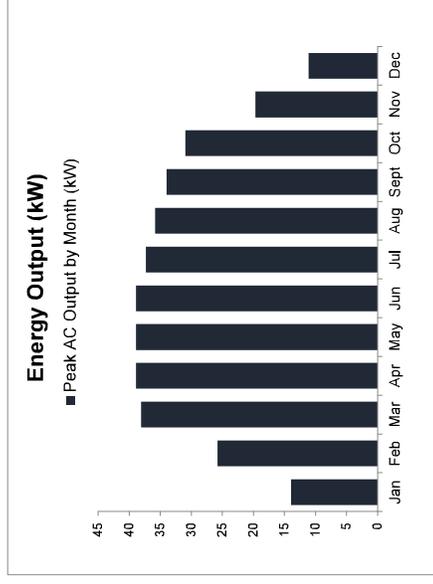
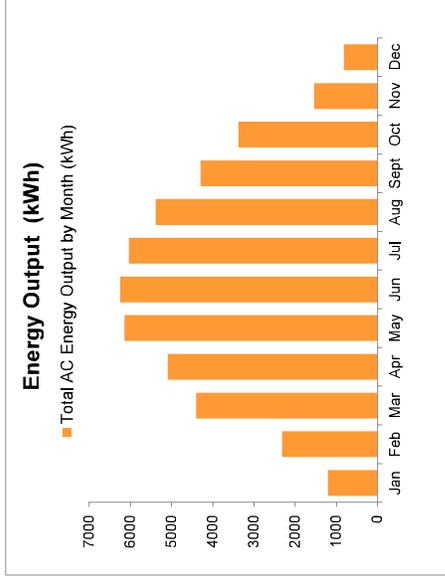
System Size (kW DC)	39.90
Inversion Ratio (DC / AC)	0.995
Maximum AC Output of Inverters (AC KW)	40.1
Maximum Peak AC Output including AC line losses (kW)	38.9
Expected Energy Production (kWh/kW DC)	1175
Expected Energy Production (kWh/Year)	46883

Expected Solar Array Production (kWh)

Typical Solar Array Energy Production (kWh) using NREL modeling, Helioscope or PV Syst modelling tools with average adjusted historical weather conditions in Minneapolis, MN using TMY3 Weather Data. <http://www.nrel.gov>. Estimated performance is based on information including but not limited to the equipment used, the solar array's kW/DC size, AC/DC line losses, standard rectangular configuration, and the array pointing due south. Your System's energy production will vary with actual equipment, layout and weather conditions. Expected Energy Production above does not include annual degradation in solar panel DC output.

Expected Energy Production

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Total AC Energy Output by Month (kWh)	1206	2320	4410	5091	6145	6250	6038	5387	4302	3378	1535	822	46883
	2.6%	4.9%	9.4%	10.9%	13.1%	13.3%	12.9%	11.5%	9.2%	7.2%	3.3%	1.8%	100.0%
Peak AC Output by Month (kW)	14	26	38	39	39	39	37	36	34	31	20	11	
	35.8%	66.3%	97.9%	100.0%	100.0%	100.0%	95.9%	92.1%	87.3%	79.6%	50.6%	28.6%	





Utility Bill Savings

Net Metering - Energy and Demand Charge Savings

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

System Sizing & Energy Assumptions	
Solar system size (kW DC)	39.90
Year 1 system production (kWh/year)	46883
Year 1 degradation - reduction in kWh output (% / year)	3.00%
Year 2+ degradation - reduction in kWh output (% / year)	0.50%
Ten year average increase in utility costs (% / year)	4.50%

Energy Expense Savings (kWh) - Energy Reduction	
Utility Billing Plan	General Service Rate Plan A14
Year 1 annual energy expense savings (\$)	\$ 3,295
Year 1 utility cost (\$ / kWh)	\$ 0.0703

Demand Expense Savings (kW) - Demand Reduction	
Peak AC output available for reducing demand (kW)	38.90
Estimated AC output that reduces demand charges (%)	25.0%
Year 1 demand reduction realized (kW AC / month))	9.7
Year 1 average demand charge cost (\$ / kW)	\$ 13.71
Year 1 annual demand charge savings (\$)	\$ 1,599
Year 1 demand charge savings per kWh (\$ / kWh)	\$ 0.0341

Combined Energy & Demand Expense Savings	
Year 1 energy charge expense utility bill savings (\$/kWh)	\$ 0.0703
Year 1 demand charge expense utility bill savings (\$/kWh)	\$ 0.0341
Year 1 combined utility bill expense savings (\$/kWh)	\$ 0.1044

For documentation on the above assumptions, please refer to the product information documents and support documents available from your iDEAL salesperson. If you would like to use different assumptions, please ask.

Utility Bill Savings					
Year	Electricity Produced (kWh/year)	Annual Savings		Total Savings	
		Energy Expense Savings (\$/year)	Demand Expense Savings (\$/year)	Annual Savings (\$)	Cumulative Annual Savings (\$)
1	46883	\$ 3,295	\$ 1,599	\$ 4,895	\$ 4,895
2	45476	\$ 3,340	\$ 1,621	\$ 4,962	\$ 9,856
3	45249	\$ 3,473	\$ 1,686	\$ 5,159	\$ 15,015
4	45022	\$ 3,611	\$ 1,753	\$ 5,364	\$ 20,380
5	44797	\$ 3,755	\$ 1,822	\$ 5,578	\$ 25,957
6	44573	\$ 3,904	\$ 1,895	\$ 5,799	\$ 31,757
7	44350	\$ 4,060	\$ 1,970	\$ 6,030	\$ 37,787
8	44129	\$ 4,221	\$ 2,049	\$ 6,270	\$ 44,057
9	43908	\$ 4,389	\$ 2,130	\$ 6,519	\$ 50,576
10	43689	\$ 4,564	\$ 2,215	\$ 6,779	\$ 57,355
11	43470	\$ 4,745	\$ 2,303	\$ 7,048	\$ 64,403
12	43253	\$ 4,934	\$ 2,395	\$ 7,329	\$ 71,731
13	43036	\$ 5,130	\$ 2,490	\$ 7,620	\$ 79,351
14	42821	\$ 5,334	\$ 2,589	\$ 7,923	\$ 87,275
15	42607	\$ 5,546	\$ 2,692	\$ 8,238	\$ 95,513
16	42394	\$ 5,767	\$ 2,799	\$ 8,566	\$ 104,079
17	42182	\$ 5,996	\$ 2,910	\$ 8,907	\$ 112,986
18	41971	\$ 6,235	\$ 3,026	\$ 9,261	\$ 122,246
19	41761	\$ 6,483	\$ 3,146	\$ 9,629	\$ 131,876
20	41553	\$ 6,741	\$ 3,272	\$ 10,012	\$ 141,888
21	41345	\$ 7,009	\$ 3,402	\$ 10,411	\$ 152,299
22	41138	\$ 7,288	\$ 3,537	\$ 10,825	\$ 163,123
23	40932	\$ 7,578	\$ 3,678	\$ 11,255	\$ 174,378
24	40728	\$ 7,879	\$ 3,824	\$ 11,703	\$ 186,081
25	40524	\$ 8,192	\$ 3,976	\$ 12,168	\$ 198,250
26	40321	\$ 8,518	\$ 4,134	\$ 12,652	\$ 210,902
27	40120	\$ 8,857	\$ 4,299	\$ 13,156	\$ 224,058
28	39919	\$ 9,209	\$ 4,470	\$ 13,679	\$ 237,736
29	39720	\$ 9,576	\$ 4,647	\$ 14,223	\$ 251,959
30	39521	\$ 9,956	\$ 4,832	\$ 14,789	\$ 266,748
31	39323	\$ 10,352	\$ 5,024	\$ 15,377	\$ 282,125
32	39127	\$ 10,764	\$ 5,224	\$ 15,988	\$ 298,113
33	38931	\$ 11,192	\$ 5,432	\$ 16,624	\$ 314,738
34	38737	\$ 11,638	\$ 5,648	\$ 17,286	\$ 332,023
35	38543	\$ 12,100	\$ 5,873	\$ 17,973	\$ 349,996
36	38350	\$ 12,582	\$ 6,106	\$ 18,688	\$ 368,684
37	38158	\$ 13,082	\$ 6,349	\$ 19,431	\$ 388,116
38	37968	\$ 13,603	\$ 6,602	\$ 20,204	\$ 408,320
39	37778	\$ 14,144	\$ 6,864	\$ 21,008	\$ 429,328
40	37589	\$ 14,706	\$ 7,137	\$ 21,843	\$ 451,171



Capital Lease Financing Summary

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

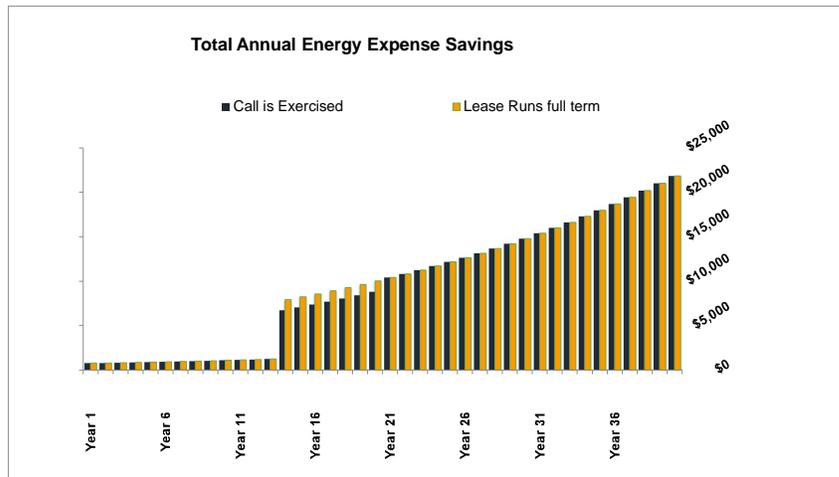
Xcel Solar® Rewards
General Service Rate Plan

Utility Expense Savings with the Solar Array

Year	Utility Bill Expense Savings	Green Sky Utility Bill Expense	Green Sky Utility Bill Expense Savings
	(Utility Bill Expense Avoidance)	(Call is Exercised) (Power Purchase Expense)	(Call is Exercised) (Utility Bill Expense Savings)
1	\$4,895	\$3,916	\$979
2	\$4,962	\$3,969	\$992
3	\$5,159	\$4,127	\$1,032
4	\$5,364	\$4,291	\$1,073
5	\$5,578	\$4,462	\$1,115
6	\$5,799	\$4,640	\$1,160
7	\$6,030	\$4,824	\$1,206
8	\$6,270	\$5,016	\$1,254
9	\$6,519	\$5,215	\$1,304
10	\$6,779	\$5,423	\$1,356
11	\$7,048	\$5,639	\$1,410
12	\$7,329	\$5,863	\$1,466
13	\$7,620	\$6,096	\$1,524
14	\$7,923		\$7,923
15	\$8,238		\$8,238
16	\$8,566		\$8,566
17	\$8,907		\$8,907
18	\$9,261		\$9,261
19	\$9,629		\$9,629
20	\$10,012		\$10,012
21	\$10,411		\$10,411
22	\$10,825		\$10,825
23	\$11,255		\$11,255
24	\$11,703		\$11,703
25	\$12,168		\$12,168
Total	\$198,250	\$63,482	\$134,768

Assuming that you **20** terminate the Lease and Power Purchase Agreements by exercising your Call Option after year **13** you will receive approximately... **20.0%** Utility Bill Expense Savings during years **1 to 13**

Assuming an Average Annual Utility Rate Increase of **4.50%** **Thereafter**, you will receive **ALL** of the **ENERGY** generated from your solar array for **FREE!**



The **orange bars** extending above the **dark blue bars** represent the **Total Additional Annual Energy Expense Savings Achieved** when the Put or Call is used to terminate the Lease & Power Purchase Agreements early

Capital Lease Outcome Summary - Example

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge
 Xcel Solar*Rewards
 General Service Rate Plan

Lease Runs Full Term, Customer Exercises its Call Option, or Green² Solar Leasing Exercises its Put Option

Year	Utility Bill Expense Savings	Utility Bill Expense Green ² Solar Leasing		
		Lease Runs Full Term	If the Call is Exercised	If the Put is Exercised
	Utility Bill Expense Reduction	Power Purchase Expense	Power Purchase Expense	Power Purchase Expense
1	\$4,895	\$3,916	\$3,916	\$3,916
2	\$4,962	\$3,969	\$3,969	\$3,969
3	\$5,159	\$4,127	\$4,127	\$4,127
4	\$5,364	\$4,291	\$4,291	\$4,291
5	\$5,578	\$4,462	\$4,462	\$4,462
6	\$5,799	\$4,640	\$4,640	\$4,640
7	\$6,030	\$4,824	\$4,824	\$4,824
8	\$6,270	\$5,016	\$5,016	\$5,016
9	\$6,519	\$5,215	\$5,215	\$5,215
10	\$6,779	\$5,423	\$5,423	\$5,423
11	\$7,048	\$5,639	\$5,639	\$5,639
12	\$7,329	\$5,863	\$5,863	\$5,863
13	\$7,620	\$6,096	\$6,096	\$6,096
14	\$7,923	\$1,200	\$3,536	\$1
15	\$8,238	\$1,200		
16	\$8,566	\$1,200		
17	\$8,907	\$1,200		
18	\$9,261	\$1,200		
19	\$9,629	\$1,200		
20	\$10,012	\$1,200		
21	\$10,411			
22	\$10,825			
23	\$11,255			
24	\$11,703			
25	\$12,168			
26	\$12,652			
27	\$13,156			
28	\$13,679			
29	\$14,223			
30	\$14,789			
31	\$15,377			
32	\$15,988			
33	\$16,624			
34	\$17,286			
35	\$17,973			
36	\$18,688			
37	\$19,431			
38	\$20,204			
39	\$21,008			
40	\$21,843			
	\$451,171	\$71,882	\$67,018	\$63,483

Year	Customer's Call Price Based on Tenant's Estimated Net Cashflow Over the Remaining Lease Term at Stated Discount		
	Tenant's Power Sales Income	Tenant's Expense	Tenant's Net Cashflow
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14	\$1,200	-\$350	\$850
15	\$1,200	-\$350	\$850
16	\$1,200	-\$350	\$850
17	\$1,200	-\$350	\$850
18	\$1,200	-\$350	\$850
19	\$1,200	-\$350	\$850
20	\$1,200	-\$350	\$850
21			
22			
23			
24			
25			
	\$8,400	-\$2,450	\$5,950
	Discount Rate		15%
	Customer's Call Price:		\$3,536
	Tenant's Put Price:		\$1.00

1 **Customer's Call Option** - If Green² Solar does not exercise its Put Option, the Customer can require Green² Solar to sell its remaining interest to the Customer for the Call Price. (Can be exercised during months 3 to 6 after Call Date)

2 **Green² Solar Leasing's Put Option** - Green² Solar Leasing can require the Customer to purchase its remaining interest for the Put Price. (Can be exercised during months 1 to 3 after Put Date)

3 **If neither party exercises their Put or Call Options** - the Lease & Power Purchase agreements run full-term unless Green² Solar Leasing and Customer mutually agree to terminate them arrangement early.

Assumes Call or Put is exercised per the transaction documents.
 This summary is intended only as an example.



Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Year	Customers' Utility Savings and Rent Income			Customer's Expenses			Annual Savings	
	Utility Bill Savings	Rent Revenue	Total Annual Customer Revenue	Energy Payment to GreenSky (subject to sales tax)	Insurance Expense & Utility Fees	Total Annual Expenses	Total Annual Energy Expense Savings	Total Cumulative Annual Energy Expense Savings
Year 1	\$ 4,895	\$ 100	\$ 4,995	\$ (3,916)	\$ (300)	\$ (4,216)	\$ 779	\$ 779
Year 2	\$ 4,982	\$ 100	\$ 5,082	\$ (3,968)	\$ (306)	\$ (4,275)	\$ 786	\$ 1,565
Year 3	\$ 5,159	\$ 100	\$ 5,259	\$ (4,127)	\$ (312)	\$ (4,439)	\$ 820	\$ 2,385
Year 4	\$ 5,364	\$ 100	\$ 5,464	\$ (4,281)	\$ (318)	\$ (4,610)	\$ 854	\$ 3,239
Year 5	\$ 5,578	\$ 100	\$ 5,678	\$ (4,462)	\$ (325)	\$ (4,787)	\$ 891	\$ 4,130
Year 6	\$ 5,789	\$ 100	\$ 5,889	\$ (4,640)	\$ (331)	\$ (4,971)	\$ 929	\$ 5,059
Year 7	\$ 6,030	\$ 100	\$ 6,130	\$ (4,824)	\$ (338)	\$ (5,162)	\$ 968	\$ 6,027
Year 8	\$ 6,270	\$ 100	\$ 6,370	\$ (5,016)	\$ (345)	\$ (5,361)	\$ 1,009	\$ 7,036
Year 9	\$ 6,519	\$ 100	\$ 6,619	\$ (5,215)	\$ (351)	\$ (5,567)	\$ 1,052	\$ 8,088
Year 10	\$ 6,779	\$ 100	\$ 6,879	\$ (5,420)	\$ (358)	\$ (5,778)	\$ 1,097	\$ 9,186
Year 11	\$ 7,048	\$ 100	\$ 7,148	\$ (5,639)	\$ (366)	\$ (6,004)	\$ 1,144	\$ 10,330
Year 12	\$ 7,329	\$ 100	\$ 7,429	\$ (5,863)	\$ (373)	\$ (6,236)	\$ 1,193	\$ 11,522
Year 13	\$ 7,620	\$ 100	\$ 7,720	\$ (6,096)	\$ (380)	\$ (6,477)	\$ 1,244	\$ 12,766
Year 14	\$ 7,923	\$ -	\$ 7,923	\$ -	\$ -	\$ -	\$ 7,923	\$ 20,689
Year 15	\$ 8,238	\$ -	\$ 8,238	\$ -	\$ -	\$ -	\$ 8,238	\$ 28,927
Year 16	\$ 8,566	\$ -	\$ 8,566	\$ -	\$ -	\$ -	\$ 8,566	\$ 37,493
Year 17	\$ 8,907	\$ -	\$ 8,907	\$ -	\$ -	\$ -	\$ 8,907	\$ 46,400
Year 18	\$ 9,261	\$ -	\$ 9,261	\$ -	\$ -	\$ -	\$ 9,261	\$ 55,661
Year 19	\$ 9,629	\$ -	\$ 9,629	\$ -	\$ -	\$ -	\$ 9,629	\$ 65,290
Year 20	\$ 10,012	\$ -	\$ 10,012	\$ -	\$ -	\$ -	\$ 10,012	\$ 75,302
Year 21	\$ 10,411	\$ -	\$ 10,411	\$ -	\$ -	\$ -	\$ 10,411	\$ 85,713
Year 22	\$ 10,825	\$ -	\$ 10,825	\$ -	\$ -	\$ -	\$ 10,825	\$ 96,538
Year 23	\$ 11,255	\$ -	\$ 11,255	\$ -	\$ -	\$ -	\$ 11,255	\$ 107,793
Year 24	\$ 11,703	\$ -	\$ 11,703	\$ -	\$ -	\$ -	\$ 11,703	\$ 119,496
Year 25	\$ 12,168	\$ -	\$ 12,168	\$ -	\$ -	\$ -	\$ 12,168	\$ 131,664
Year 26	\$ 12,652	\$ -	\$ 12,652	\$ -	\$ -	\$ -	\$ 12,652	\$ 144,316
Year 27	\$ 13,156	\$ -	\$ 13,156	\$ -	\$ -	\$ -	\$ 13,156	\$ 157,472
Year 28	\$ 13,679	\$ -	\$ 13,679	\$ -	\$ -	\$ -	\$ 13,679	\$ 171,151
Year 29	\$ 14,223	\$ -	\$ 14,223	\$ -	\$ -	\$ -	\$ 14,223	\$ 185,374
Year 30	\$ 14,789	\$ -	\$ 14,789	\$ -	\$ -	\$ -	\$ 14,789	\$ 200,162
Year 31	\$ 15,377	\$ -	\$ 15,377	\$ -	\$ -	\$ -	\$ 15,377	\$ 215,539
Year 32	\$ 15,988	\$ -	\$ 15,988	\$ -	\$ -	\$ -	\$ 15,988	\$ 231,528
Year 33	\$ 16,624	\$ -	\$ 16,624	\$ -	\$ -	\$ -	\$ 16,624	\$ 248,152
Year 34	\$ 17,286	\$ -	\$ 17,286	\$ -	\$ -	\$ -	\$ 17,286	\$ 265,438
Year 35	\$ 17,973	\$ -	\$ 17,973	\$ -	\$ -	\$ -	\$ 17,973	\$ 283,411
Year 36	\$ 18,688	\$ -	\$ 18,688	\$ -	\$ -	\$ -	\$ 18,688	\$ 302,099
Year 37	\$ 19,431	\$ -	\$ 19,431	\$ -	\$ -	\$ -	\$ 19,431	\$ 321,530
Year 38	\$ 20,204	\$ -	\$ 20,204	\$ -	\$ -	\$ -	\$ 20,204	\$ 341,734
Year 39	\$ 21,008	\$ -	\$ 21,008	\$ -	\$ -	\$ -	\$ 21,008	\$ 362,742
Year 40	\$ 21,843	\$ -	\$ 21,843	\$ -	\$ -	\$ -	\$ 21,843	\$ 384,586
TOTAL	\$ 451,171	\$ 1,300	\$ 452,471	\$ (63,482)	\$ (4,404)	\$ (67,886)	\$ 384,586	\$ 384,586

Assumes Call is exercised per the transaction documents. This Cashflow summary is intended only as an example.

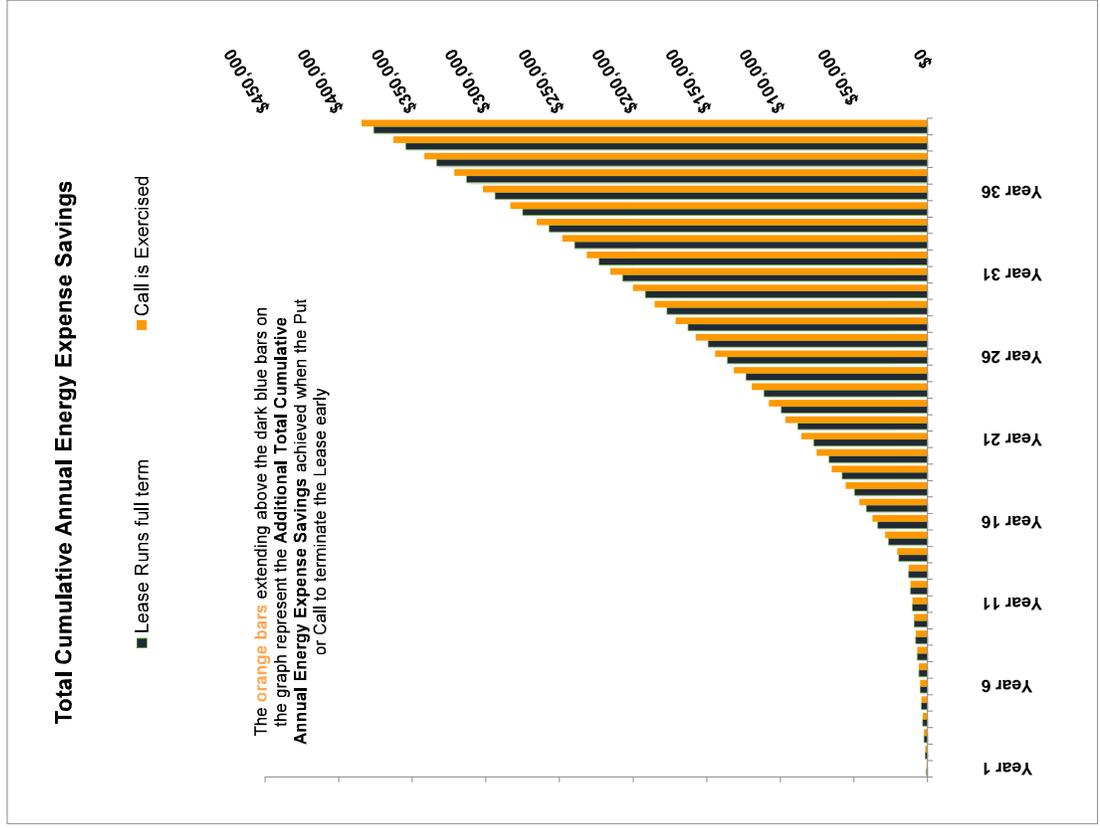
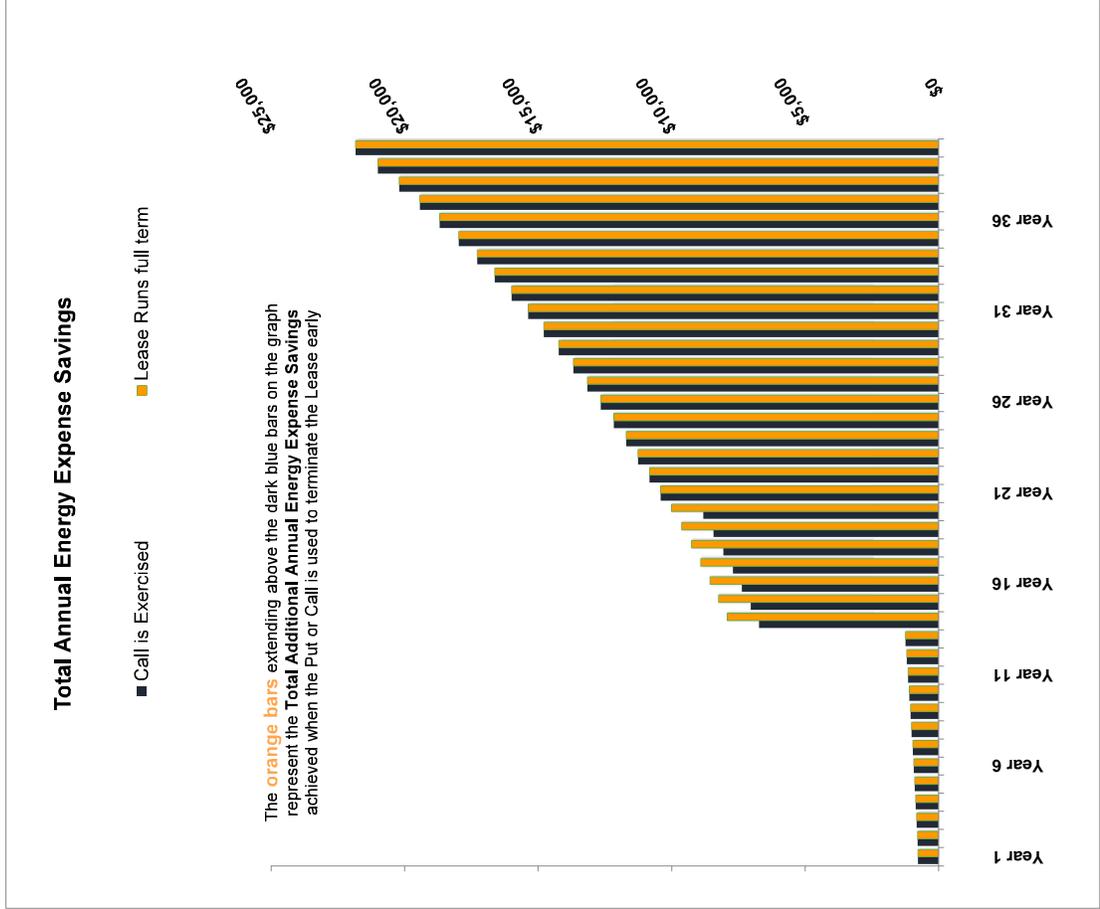


Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards

General Service Rate Plan





iDEAL Energies Deliverables - A Turnkey Service

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Project Task & Deliverables

- Solar Survey
- Site Electrical Systems Review
- System Layout and Electrical Engineering
- Structural Engineering & Analytical Testing (review of roof / soil adequacy to support the system)
- Rebate Application, Procurement, and Processing Fees, if any
- Utility Interconnection Agreement(s)
- Solar Array Equipment
- Solar Array Installation
- Electrical Connection – connect system to your building's electrical switchgear
- System monitoring equipment and software for web based monitoring
- Building Permit & Inspection
- Electrical Permit & Inspection
- Project Management
- Training
- Start-up
- Solar Array Supporting Documentation
- Federal Tax Credit Documentation
- All Other Required Deliverables

System Cost (Paid by Tenant)

\$

134,500

Customer's Financial Summary

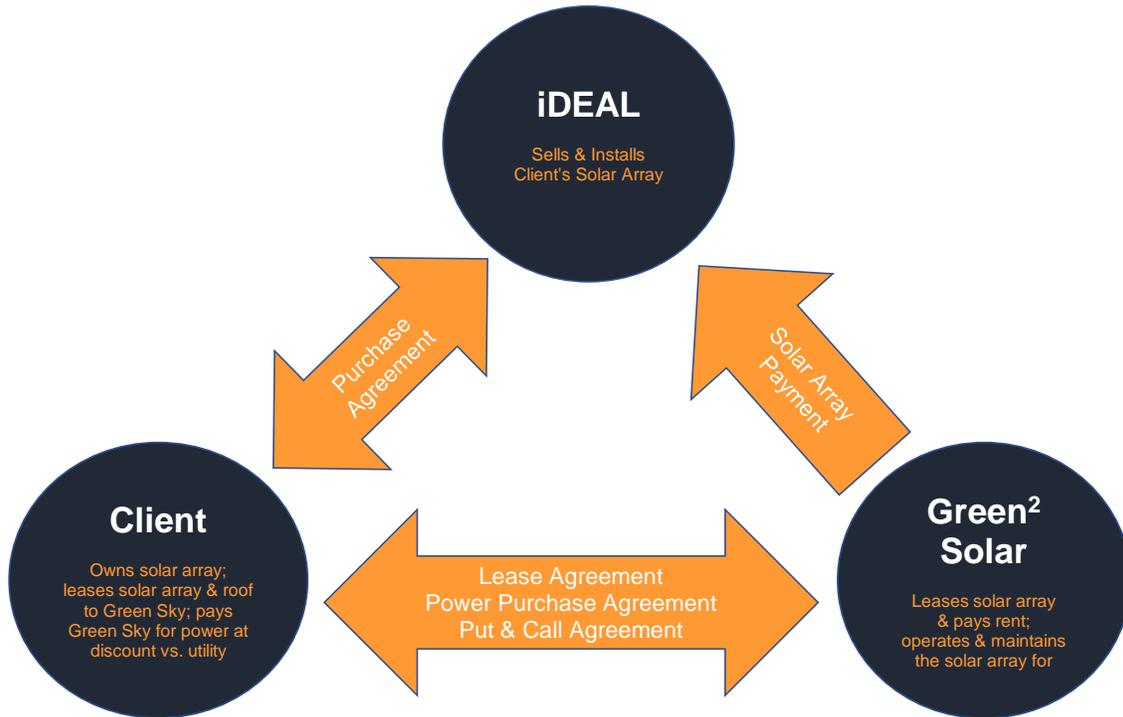
	<i>Power Payments</i>		<i>Put/Call</i>		<i>Total</i>
Call: Exercised by Customer	\$	63,482	\$	3,536	67,018
Put: Exercised by Tenant	\$	63,482	\$	1	63,483

Capital Lease - How It Works

Rooftop Ballasted Solar Array - 39.9 kWDC SilfabSLG350M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Our Capital Lease Program



Purchase, Lease-back, and Power Purchase Highlights

Client

1. Receives rent from Green² Solar Leasing
2. Pays Green² Solar Leasing for energy at discounted rate
3. Insures the Solar Array

Green² Solar Leasing

1. Pays rent to Client
2. Receives and uses tax benefits
3. Receives rebates
4. Operates and maintains solar array for Client

Ownership:

Our Client purchases their solar array from Ideal Energies and immediately owns it outright.

(Client is the fee title owner)

Lease:

Under the lease, Green² Solar Leasing pays Ideal Energies for the solar array, and becomes the tax owner so they can leverage tax benefits on the Client's behalf. The lease also assigns any rebates to Green² Solar Leasing to help pay for the solar array. Immediately after the purchase, the Client Leases the solar array to Green² Solar Leasing for annual lease payments, and Green² Solar Leasing operates and maintains the solar array on the Client's behalf.

Power Purchase:

The Client pays Green² Solar Leasing for the energy generated from the solar array at a discount vs. utility rates.

Put & Call:

If either party elects to exercise their options [Put Option: Green² Solar Leasing requires the Client to purchase Green² Solar Leasing's remaining interest for \$1; or Call Option: the Client requires Green² Solar Leasing to sell its remaining interest to the Client at fair market value], the Lease and Power Purchase Agreements terminate, and you will receive free Energy from your Solar Array thereafter!

A GREEN² OPPORTUNITY

Make Money. Save the Planet.

Cashflow Summary

[Elko New Market - City Hall / Fire Station]

Capital Lease - Solar for Minnesota Schools & Public Organizations

Xcel Solar*Rewards
General Service Rate Plan

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge





Solar Array Technical Information

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Solar Array Specification (Typical)

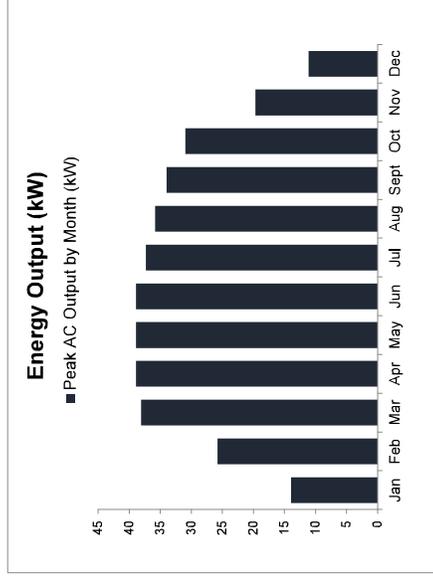
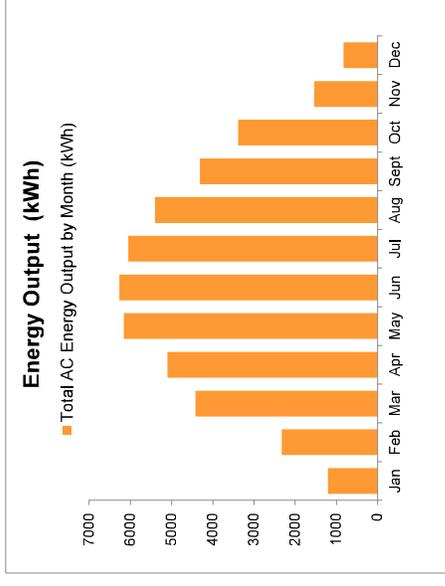
System Size (kW DC)	40.00
Inversion Ratio (DC / AC)	0.997
Maximum AC Output of Inverters (AC KW)	40.1
Maximum Peak AC Output including AC line losses (kW)	38.9
Expected Energy Production (kWh/kW DC)	1175
Expected Energy Production (kWh/Year)	47000

Expected Solar Array Production (kWh)

Typical Solar Array Energy Production (kWh) using NREL modeling, Helioscope or PV Syst modelling tools with average adjusted historical weather conditions in Minneapolis, MN using TMY3 Weather Data. <http://www.nrel.gov> Estimated performance is based on information including but not limited to the equipment used, the solar array's kW/DC size, AC/DC line losses, standard rectangular configuration, and the array pointing due south. Your System's energy production will vary with actual equipment, layout and weather conditions. Expected Energy Production above does not include annual degradation in solar panel DC output.

Expected Energy Production

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Total AC Energy Output by Month (kWh)	1209	2326	4421	5103	6160	6266	6053	5401	4312	3386	1539	824	47000
	2.6%	4.9%	9.4%	10.9%	13.1%	13.3%	12.9%	11.5%	9.2%	7.2%	3.3%	1.8%	100.0%
Peak AC Output by Month (kW)	14	26	38	39	39	39	37	36	34	31	20	11	
	35.8%	66.3%	97.9%	100.0%	100.0%	100.0%	95.9%	92.1%	87.3%	79.6%	50.6%	28.6%	





Utility Bill Savings

Net Metering - Energy and Demand Charge Savings

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

System Sizing & Energy Assumptions	
Solar system size (kW DC)	40.00
Year 1 system production (kWh/year)	47000
Year 1 degradation - reduction in kWh output (% / year)	3.00%
Year 2+ degradation - reduction in kWh output (% / year)	0.50%
Ten year average increase in utility costs (% / year)	4.50%

Energy Expense Savings (kWh) - Energy Reduction	
Utility Billing Plan	General Service Rate Plan A14
Year 1 annual energy expense savings (\$)	\$ 3,304
Year 1 utility cost (\$ / kWh)	\$ 0.0703

Demand Expense Savings (kW) - Demand Reduction	
Peak AC output available for reducing demand (kW)	38.90
Estimated AC output that reduces demand charges (%)	25.0%
Year 1 demand reduction realized (kW AC / month))	9.7
Year 1 average demand charge cost (\$ / kW)	\$ 13.71
Year 1 annual demand charge savings (\$)	\$ 1,599
Year 1 demand charge savings per kWh (\$ / kWh)	\$ 0.0340

Combined Energy & Demand Expense Savings	
Year 1 energy charge expense utility bill savings (\$/kWh)	\$ 0.0703
Year 1 demand charge expense utility bill savings (\$/kWh)	\$ 0.0340
Year 1 combined utility bill expense savings (\$/kWh)	\$ 0.1043

For documentation on the above assumptions, please refer to the product information documents and support documents available from your iDEAL salesperson. If you would like to use different assumptions, please ask.

Utility Bill Savings					
Year	Electricity Produced (kWh/year)	Annual Savings		Total Savings	
		Energy Expense Savings (\$/year)	Demand Expense Savings (\$/year)	Annual Savings (\$)	Cumulative Annual Savings (\$)
1	47000	\$ 3,304	\$ 1,599	\$ 4,903	\$ 4,903
2	45590	\$ 3,349	\$ 1,621	\$ 4,970	\$ 9,873
3	45362	\$ 3,482	\$ 1,686	\$ 5,168	\$ 15,041
4	45135	\$ 3,621	\$ 1,753	\$ 5,373	\$ 20,414
5	44910	\$ 3,765	\$ 1,822	\$ 5,587	\$ 26,001
6	44685	\$ 3,914	\$ 1,895	\$ 5,809	\$ 31,810
7	44462	\$ 4,070	\$ 1,970	\$ 6,040	\$ 37,850
8	44239	\$ 4,232	\$ 2,049	\$ 6,281	\$ 44,131
9	44018	\$ 4,400	\$ 2,130	\$ 6,530	\$ 50,661
10	43798	\$ 4,575	\$ 2,215	\$ 6,790	\$ 57,451
11	43579	\$ 4,757	\$ 2,303	\$ 7,060	\$ 64,511
12	43361	\$ 4,946	\$ 2,395	\$ 7,341	\$ 71,852
13	43144	\$ 5,143	\$ 2,490	\$ 7,633	\$ 79,485
14	42929	\$ 5,348	\$ 2,589	\$ 7,937	\$ 87,422
15	42714	\$ 5,560	\$ 2,692	\$ 8,252	\$ 95,674
16	42500	\$ 5,782	\$ 2,799	\$ 8,580	\$ 104,254
17	42288	\$ 6,011	\$ 2,910	\$ 8,922	\$ 113,176
18	42076	\$ 6,251	\$ 3,026	\$ 9,277	\$ 122,453
19	41866	\$ 6,499	\$ 3,146	\$ 9,646	\$ 132,098
20	41657	\$ 6,758	\$ 3,272	\$ 10,029	\$ 142,128
21	41448	\$ 7,026	\$ 3,402	\$ 10,428	\$ 152,556
22	41241	\$ 7,306	\$ 3,537	\$ 10,843	\$ 163,399
23	41035	\$ 7,597	\$ 3,678	\$ 11,274	\$ 174,673
24	40830	\$ 7,899	\$ 3,824	\$ 11,723	\$ 186,395
25	40626	\$ 8,213	\$ 3,976	\$ 12,189	\$ 198,584
26	40423	\$ 8,540	\$ 4,134	\$ 12,674	\$ 211,258
27	40220	\$ 8,879	\$ 4,299	\$ 13,178	\$ 224,436
28	40019	\$ 9,232	\$ 4,470	\$ 13,702	\$ 238,138
29	39819	\$ 9,600	\$ 4,647	\$ 14,247	\$ 252,384
30	39620	\$ 9,981	\$ 4,832	\$ 14,814	\$ 267,198
31	39422	\$ 10,378	\$ 5,024	\$ 15,403	\$ 282,601
32	39225	\$ 10,791	\$ 5,224	\$ 16,015	\$ 298,616
33	39029	\$ 11,220	\$ 5,432	\$ 16,652	\$ 315,269
34	38834	\$ 11,667	\$ 5,648	\$ 17,315	\$ 332,584
35	38639	\$ 12,131	\$ 5,873	\$ 18,004	\$ 350,587
36	38446	\$ 12,613	\$ 6,106	\$ 18,720	\$ 369,307
37	38254	\$ 13,115	\$ 6,349	\$ 19,464	\$ 388,771
38	38063	\$ 13,637	\$ 6,602	\$ 20,238	\$ 409,009
39	37872	\$ 14,179	\$ 6,864	\$ 21,043	\$ 430,052
40	37683	\$ 14,743	\$ 7,137	\$ 21,880	\$ 451,933



Capital Lease Financing Summary

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar® Rewards
General Service Rate Plan

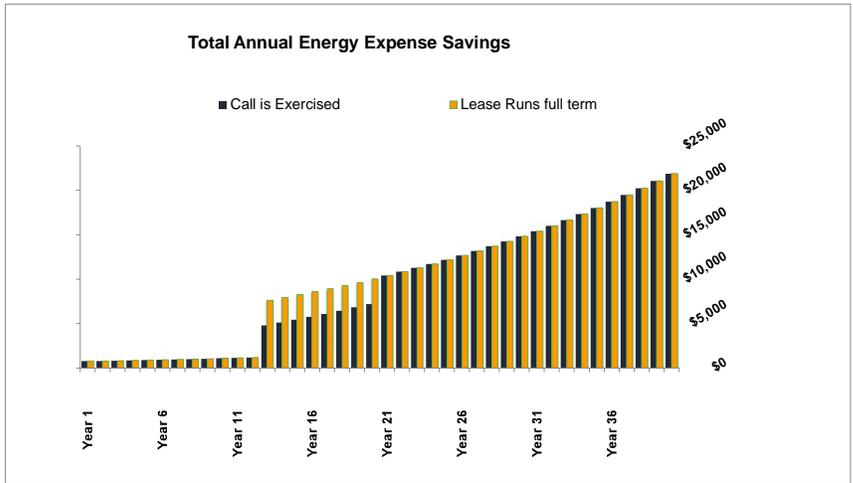
Utility Expense Savings with the Solar Array

Year	Utility Bill Expense Savings	Green Sky Utility Bill Expense	Green Sky Utility Bill Expense Savings
	(Utility Bill Expense Avoidance)	(Call is Exercised) (Power Purchase Expense)	(Call is Exercised) (Utility Bill Expense Savings)
1	\$4,903	\$3,923	\$981
2	\$4,970	\$3,976	\$994
3	\$5,168	\$4,134	\$1,033
4	\$5,373	\$4,299	\$1,075
5	\$5,587	\$4,470	\$1,117
6	\$5,809	\$4,647	\$1,162
7	\$6,040	\$4,832	\$1,208
8	\$6,281	\$5,024	\$1,256
9	\$6,530	\$5,224	\$1,306
10	\$6,790	\$5,432	\$1,358
11	\$7,060	\$5,648	\$1,412
12	\$7,341	\$5,873	\$1,468
13	\$7,633		\$7,633
14	\$7,937		\$7,937
15	\$8,252		\$8,252
16	\$8,580		\$8,580
17	\$8,922		\$8,922
18	\$9,277		\$9,277
19	\$9,646		\$9,646
20	\$10,029		\$10,029
21	\$10,428		\$10,428
22	\$10,843		\$10,843
23	\$11,274		\$11,274
24	\$11,723		\$11,723
25	\$12,189		\$12,189
Total	\$198,584	\$57,483	\$141,102

Assuming that you **20** terminate the Lease and Power Purchase Agreements by exercising your Call Option after year **12** you will receive approximately... **20.0%** Utility Bill Expense Savings during years **1 to 12**

Assuming an Average Annual Utility Rate Increase of **4.50%**

Thereafter, you will receive **ALL** of the **ENERGY** generated from your solar array for **FREE!**



The **orange bars** extending above the **dark blue bars** represent the **Total Additional Annual Energy Expense Savings Achieved** when the Put or Call is used to terminate the Lease & Power Purchase Agreements early

Capital Lease Outcome Summary - Example

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Lease Runs Full Term, Customer Exercises its Call Option, or Green² Solar Leasing Exercises its Put Option

Year	Utility Bill Expense Savings	Utility Bill Expense Green ² Solar Leasing		
		Lease Runs Full Term	If the Call is Exercised	If the Put is Exercised
	Utility Bill Expense Reduction	Power Purchase Expense	Power Purchase Expense	Power Purchase Expense
1	\$4,903	\$3,923	\$3,923	\$3,923
2	\$4,970	\$3,976	\$3,976	\$3,976
3	\$5,168	\$4,134	\$4,134	\$4,134
4	\$5,373	\$4,299	\$4,299	\$4,299
5	\$5,587	\$4,470	\$4,470	\$4,470
6	\$5,809	\$4,647	\$4,647	\$4,647
7	\$6,040	\$4,832	\$4,832	\$4,832
8	\$6,281	\$5,024	\$5,024	\$5,024
9	\$6,530	\$5,224	\$5,224	\$5,224
10	\$6,790	\$5,432	\$5,432	\$5,432
11	\$7,060	\$5,648	\$5,648	\$5,648
12	\$7,341	\$5,873	\$5,873	\$5,873
13	\$7,633	\$2,820	\$11,084	\$1
14	\$7,937	\$2,820		
15	\$8,252	\$2,820		
16	\$8,580	\$2,820		
17	\$8,922	\$2,820		
18	\$9,277	\$2,820		
19	\$9,646	\$2,820		
20	\$10,029	\$2,820		
21	\$10,428			
22	\$10,843			
23	\$11,274			
24	\$11,723			
25	\$12,189			
26	\$12,674			
27	\$13,178			
28	\$13,702			
29	\$14,247			
30	\$14,814			
31	\$15,403			
32	\$16,015			
33	\$16,652			
34	\$17,315			
35	\$18,004			
36	\$18,720			
37	\$19,464			
38	\$20,238			
39	\$21,043			
40	\$21,880			
	\$451,933	\$80,043	\$68,566	\$57,484

Year	Customer's Call Price Based on Tenant's Estimated Net Cashflow Over the Remaining Lease Term at Stated Discount		
	Tenant's Power Sales Income	Tenant's Expense	Tenant's Net Cashflow
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13	\$2,820	-\$350	\$2,470
14	\$2,820	-\$350	\$2,470
15	\$2,820	-\$350	\$2,470
16	\$2,820	-\$350	\$2,470
17	\$2,820	-\$350	\$2,470
18	\$2,820	-\$350	\$2,470
19	\$2,820	-\$350	\$2,470
20	\$2,820	-\$350	\$2,470
21			
22			
23			
24			
25			
	\$22,560	-\$2,800	\$19,760
	Discount Rate		15%
	Customer's Call Price:		\$11,084
	Tenant's Put Price:		\$1.00

1 **Customer's Call Option** - If Green² Solar does not exercise its Put Option, the Customer can require Green² Solar to sell its remaining interest to the Customer for the Call Price. (Can be exercised during months 3 to 6 after Call Date)

2 **Green² Solar Leasing's Put Option** - Green² Solar Leasing can require the Customer to purchase its remaining interest for the Put Price. (Can be exercised during months 1 to 3 after Put Date)

3 **If neither party exercises their Put or Call Options** - the Lease & Power Purchase agreements run full-term unless Green² Solar Leasing and Customer mutually agree to terminate them arrangement early.

Assumes Call or Put is exercised per the transaction documents.
This summary is intended only as an example.



Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings
 Rooftop Ballasted Solar Array - 40 kWDC SifabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
 General Service Rate Plan

Year	Customers' Utility Savings and Rent Income			Customer's Expenses			Annual Savings	
	Utility Bill Savings	Rent Revenue	Total Annual Customer Revenue	Energy Payment to GreenSky (subject to sales tax)	Insurance Expense & Utility Fees	Total Annual Expenses	Total Annual Energy Expense Savings	Total Cumulative Annual Energy Expense Savings
Year 1	\$ 4,903	\$ 100	\$ 5,003	\$ (3,923)	\$ (300)	\$ (4,223)	\$ 781	\$ 781
Year 2	\$ 4,970	\$ 100	\$ 5,070	\$ (3,976)	\$ (306)	\$ (4,282)	\$ 788	\$ 1,568
Year 3	\$ 5,168	\$ 100	\$ 5,268	\$ (4,134)	\$ (312)	\$ (4,446)	\$ 821	\$ 2,390
Year 4	\$ 5,373	\$ 100	\$ 5,473	\$ (4,298)	\$ (318)	\$ (4,617)	\$ 856	\$ 3,246
Year 5	\$ 5,587	\$ 100	\$ 5,687	\$ (4,470)	\$ (325)	\$ (4,794)	\$ 893	\$ 4,139
Year 6	\$ 5,809	\$ 100	\$ 5,909	\$ (4,647)	\$ (331)	\$ (4,979)	\$ 931	\$ 5,069
Year 7	\$ 6,040	\$ 100	\$ 6,140	\$ (4,832)	\$ (338)	\$ (5,170)	\$ 970	\$ 6,039
Year 8	\$ 6,281	\$ 100	\$ 6,381	\$ (5,026)	\$ (345)	\$ (5,368)	\$ 1,012	\$ 7,051
Year 9	\$ 6,530	\$ 100	\$ 6,630	\$ (5,224)	\$ (351)	\$ (5,576)	\$ 1,055	\$ 8,105
Year 10	\$ 6,790	\$ 100	\$ 6,890	\$ (5,432)	\$ (358)	\$ (5,791)	\$ 1,100	\$ 9,205
Year 11	\$ 7,060	\$ 100	\$ 7,160	\$ (5,648)	\$ (366)	\$ (6,014)	\$ 1,146	\$ 10,351
Year 12	\$ 7,341	\$ 100	\$ 7,441	\$ (5,873)	\$ (373)	\$ (6,246)	\$ 1,195	\$ 11,546
Year 13	\$ 7,633	\$ -	\$ 7,633	\$ -	\$ -	\$ -	\$ 7,633	\$ 19,179
Year 14	\$ 7,937	\$ -	\$ 7,937	\$ -	\$ -	\$ -	\$ 7,937	\$ 27,116
Year 15	\$ 8,252	\$ -	\$ 8,252	\$ -	\$ -	\$ -	\$ 8,252	\$ 35,368
Year 16	\$ 8,580	\$ -	\$ 8,580	\$ -	\$ -	\$ -	\$ 8,580	\$ 43,949
Year 17	\$ 8,922	\$ -	\$ 8,922	\$ -	\$ -	\$ -	\$ 8,922	\$ 52,870
Year 18	\$ 9,277	\$ -	\$ 9,277	\$ -	\$ -	\$ -	\$ 9,277	\$ 62,147
Year 19	\$ 9,646	\$ -	\$ 9,646	\$ -	\$ -	\$ -	\$ 9,646	\$ 71,792
Year 20	\$ 10,029	\$ -	\$ 10,029	\$ -	\$ -	\$ -	\$ 10,029	\$ 81,822
Year 21	\$ 10,428	\$ -	\$ 10,428	\$ -	\$ -	\$ -	\$ 10,428	\$ 92,250
Year 22	\$ 10,843	\$ -	\$ 10,843	\$ -	\$ -	\$ -	\$ 10,843	\$ 103,093
Year 23	\$ 11,274	\$ -	\$ 11,274	\$ -	\$ -	\$ -	\$ 11,274	\$ 114,367
Year 24	\$ 11,723	\$ -	\$ 11,723	\$ -	\$ -	\$ -	\$ 11,723	\$ 126,090
Year 25	\$ 12,189	\$ -	\$ 12,189	\$ -	\$ -	\$ -	\$ 12,189	\$ 138,278
Year 26	\$ 12,674	\$ -	\$ 12,674	\$ -	\$ -	\$ -	\$ 12,674	\$ 150,952
Year 27	\$ 13,178	\$ -	\$ 13,178	\$ -	\$ -	\$ -	\$ 13,178	\$ 164,130
Year 28	\$ 13,702	\$ -	\$ 13,702	\$ -	\$ -	\$ -	\$ 13,702	\$ 177,832
Year 29	\$ 14,247	\$ -	\$ 14,247	\$ -	\$ -	\$ -	\$ 14,247	\$ 192,079
Year 30	\$ 14,814	\$ -	\$ 14,814	\$ -	\$ -	\$ -	\$ 14,814	\$ 206,892
Year 31	\$ 15,403	\$ -	\$ 15,403	\$ -	\$ -	\$ -	\$ 15,403	\$ 222,295
Year 32	\$ 16,015	\$ -	\$ 16,015	\$ -	\$ -	\$ -	\$ 16,015	\$ 238,310
Year 33	\$ 16,652	\$ -	\$ 16,652	\$ -	\$ -	\$ -	\$ 16,652	\$ 254,963
Year 34	\$ 17,315	\$ -	\$ 17,315	\$ -	\$ -	\$ -	\$ 17,315	\$ 272,278
Year 35	\$ 18,004	\$ -	\$ 18,004	\$ -	\$ -	\$ -	\$ 18,004	\$ 290,281
Year 36	\$ 18,720	\$ -	\$ 18,720	\$ -	\$ -	\$ -	\$ 18,720	\$ 309,001
Year 37	\$ 19,464	\$ -	\$ 19,464	\$ -	\$ -	\$ -	\$ 19,464	\$ 328,465
Year 38	\$ 20,238	\$ -	\$ 20,238	\$ -	\$ -	\$ -	\$ 20,238	\$ 348,703
Year 39	\$ 21,043	\$ -	\$ 21,043	\$ -	\$ -	\$ -	\$ 21,043	\$ 369,746
Year 40	\$ 21,880	\$ -	\$ 21,880	\$ -	\$ -	\$ -	\$ 21,880	\$ 391,627
TOTAL	\$ 451,933	\$ 1,200	\$ 453,133	\$ (57,463)	\$ (4,023)	\$ (61,506)	\$ 391,627	\$ 391,627

Assumes Call is exercised per the transaction documents. This Cashflow summary is intended only as an example.

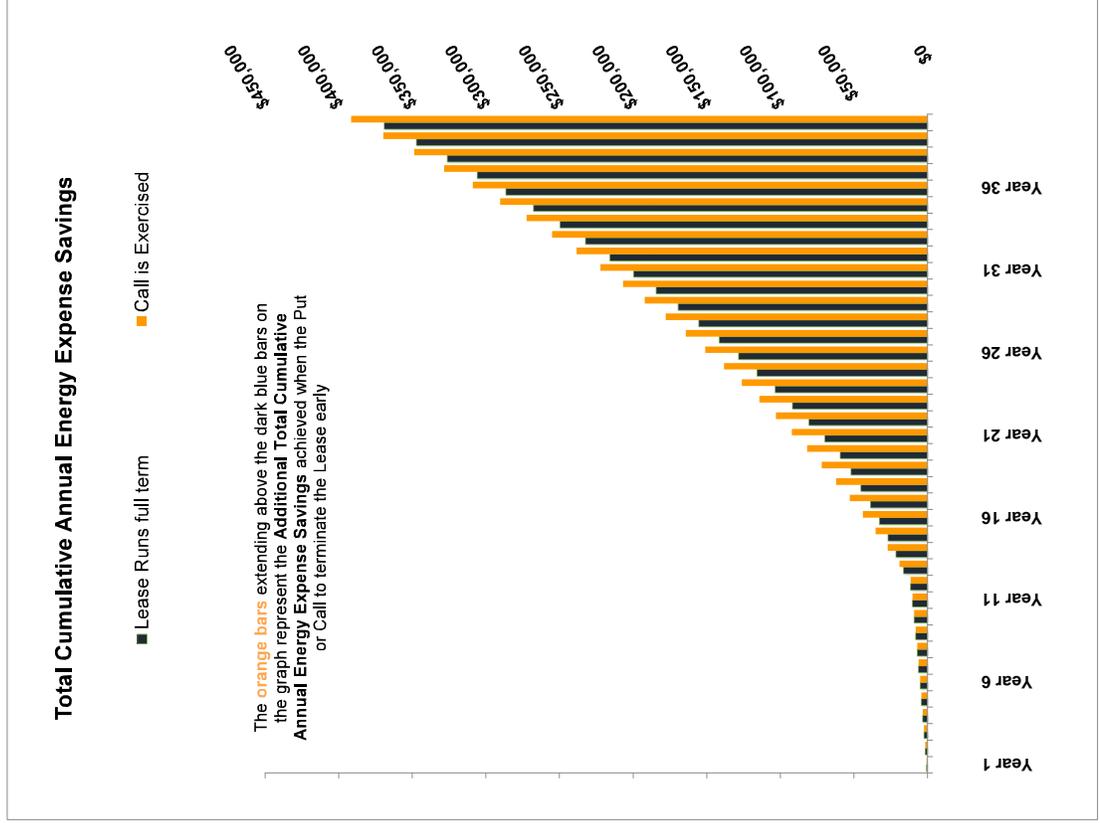
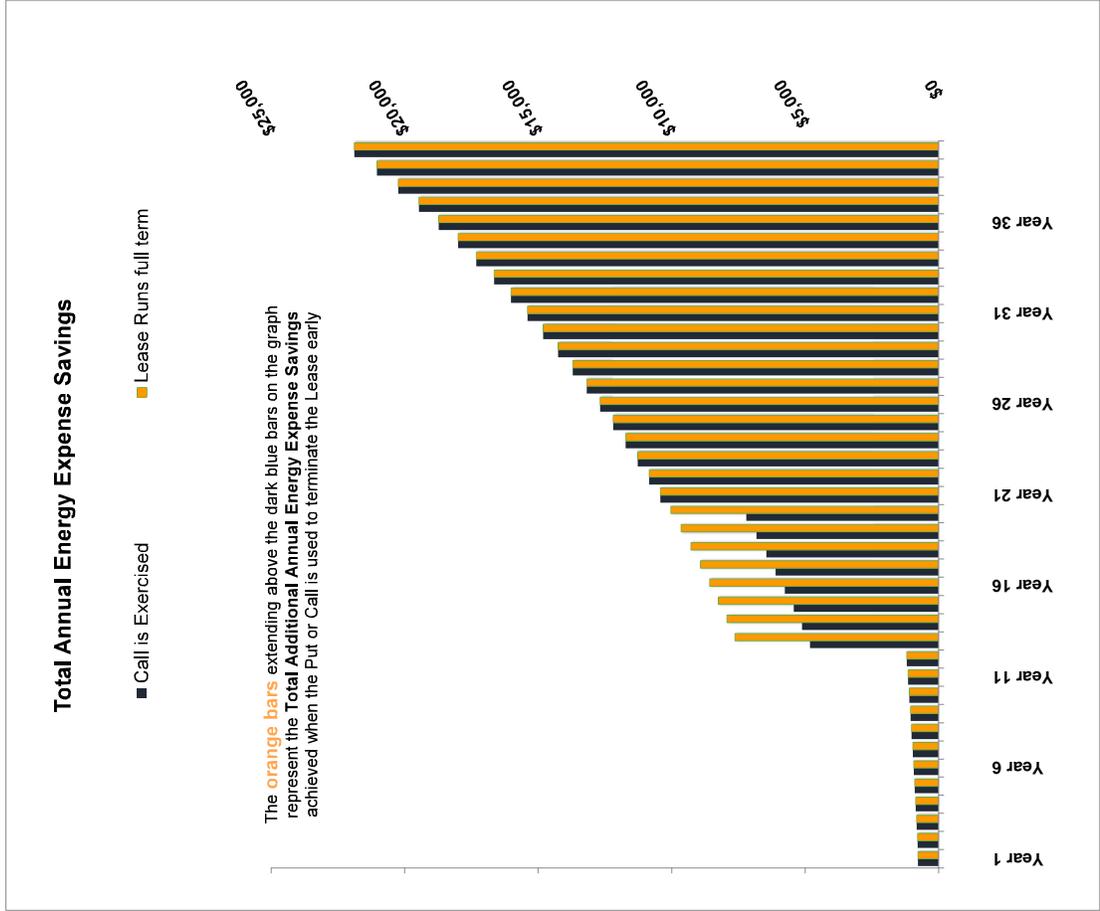


Capital Lease - 40 Year Customer Cash Flow Example - Net Metering Utility Bill Savings

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards

General Service Rate Plan





iDEAL Energies Deliverables - A Turnkey Service

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Project Task & Deliverables

- Solar Survey
- Site Electrical Systems Review
- System Layout and Electrical Engineering
- Structural Engineering & Analytical Testing (review of roof / soil adequacy to support the system)
- Rebate Application, Procurement, and Processing Fees, if any
- Utility Interconnection Agreement(s)
- Solar Array Equipment
- Solar Array Installation
- Electrical Connection – connect system to your building's electrical switchgear
- System monitoring equipment and software for web based monitoring
- Building Permit & Inspection
- Electrical Permit & Inspection
- Project Management
- Training
- Start-up
- Solar Array Supporting Documentation
- Federal Tax Credit Documentation
- All Other Required Deliverables

System Cost (Paid by Tenant) \$ 149,000

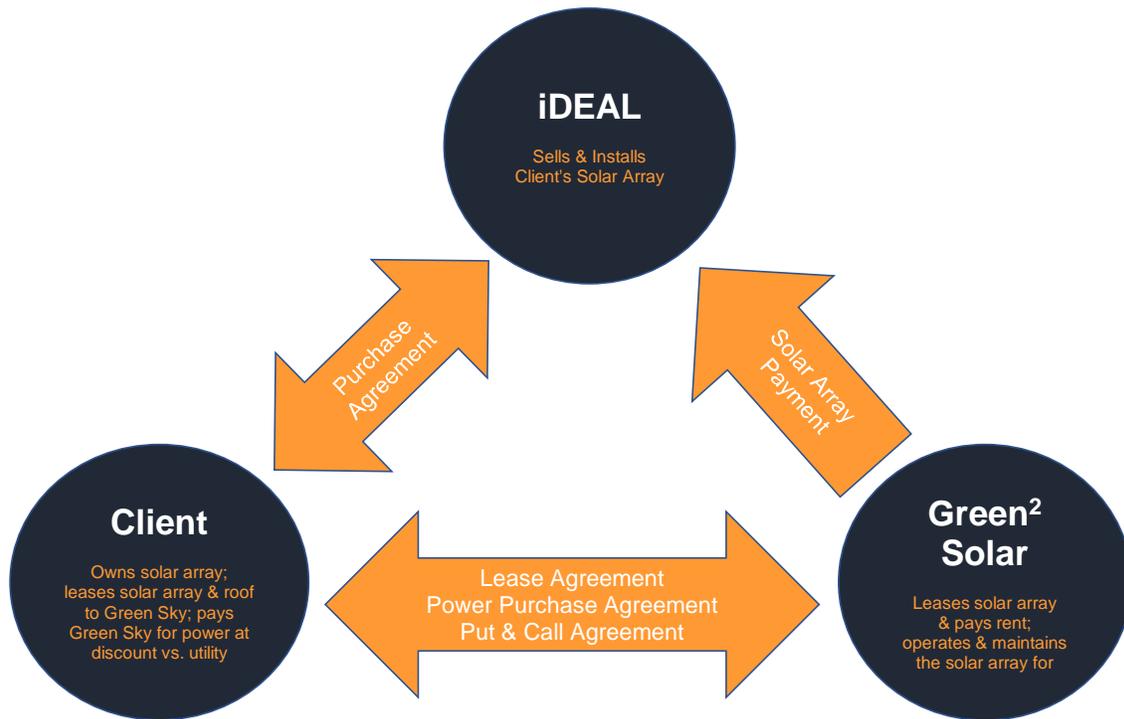
Customer's Financial Summary					
	<i>Power Payments</i>		<i>Put/Call</i>		<i>Total</i>
Call: Exercised by Customer	\$ 57,483	\$	11,084	\$	68,566
Put: Exercised by Tenant	\$ 57,483	\$	1	\$	57,484

Capital Lease - How It Works

Rooftop Ballasted Solar Array - 40 kWDC SilfabSLG340M/345M Solar Panels @ 10° w/ 40.1 kWAC SolarEdge

Xcel Solar*Rewards
General Service Rate Plan

Our Capital Lease Program



Purchase, Lease-back, and Power Purchase Highlights

Client

1. Receives rent from Green² Solar Leasing
2. Pays Green² Solar Leasing for energy at discounted rate
3. Insures the Solar Array

Ownership:

Our Client purchases their solar array from Ideal Energies and immediately owns it outright.

(Client is the fee title owner)

Lease:

Under the lease, Green² Solar Leasing pays Ideal Energies for the solar array, and becomes the tax owner so they can leverage tax benefits on the Client's behalf. The lease also assigns any rebates to Green² Solar Leasing to help pay for the solar array. Immediately after the purchase, the Client Leases the solar array to Green² Solar Leasing for annual lease payments, and Green² Solar Leasing operates and maintains the solar array on the Client's behalf.

Green² Solar Leasing

1. Pays rent to Client
2. Receives and uses tax benefits
3. Receives rebates
4. Operates and maintains solar array for Client

Power Purchase:

The Client pays Green² Solar Leasing for the energy generated from the solar array at a discount vs. utility rates.

Put & Call:

If either party elects to exercise their options [Put Option: Green² Solar Leasing requires the Client to purchase Green² Solar Leasing's remaining interest for \$1; or Call Option: the Client requires Green² Solar Leasing to sell its remaining interest to the Client at fair market value], the Lease and Power Purchase Agreements terminate, and you will receive free Energy from your Solar Array thereafter!



Solar Array Purchase, Capital Lease & Power Purchase Agreements w/ Put & Call

31.5 kW DC Silfab SLG-M345 or equivalent,
33.3 kW AC SolarEdge SE33K Inverters,
SolarEdge P700 Power Optimizers &
IronRidge, S5! Clips W/ Unistrut Flushmount Racking or equivalent @ approximately 5°

Xcel Solar Rewards

Customer Information

Date:	January 29, 2018
Solar Array Legal Owner:	City of Elko New Market
Customer Corporate Form:	MN City
Customer Mailing Address:	601 Main Street, PO Box 99, Elko New Market, MN 55020
Customer Signer Name:	Bob Crawford and Sandra Green
Customer Signer Title:	Mayor and City Clerk
Customer Authorized Representative:	Mark Nagel
Customer Authorized Representative Tel:	952-461-2777
Installation Address:	Public Works - 25499 Natchez Avenue, Elko New Market, MN 55020
Premise Number:	302245372
Real Property Owner:	City of Elko New Market
Real Property Owner Mailing Address:	601 Main Street, PO Box 99, Elko New Market, MN 55020

Project Information

System Size in kW DC	31.5 (kW DC)
Installation Cost:	\$117500.00
Project Completion Date:	Summer 2018
Rebate Name:	Xcel Solar Rewards
Rebate Amount:	\$0.08 per /kWh)
Rebate Payer:	Xcel Energy
REC Owner:	Xcel Energy
Tax Credit Percent:	30%
Panel Description:	Silfab SLG-M345 or equivalent
Panel Size in Watts DC:	345 (Watts DC)
Inverter Description:	SolarEdge SE33K
Total Inversion in kW AC:	33.3 (kW AC)
Power Optimizer Description:	SolarEdge P700
Solar Racking Description:	IronRidge, S5! Clips W/ Unistrut Flushmount Racking or equivalent @ approximately 5°

Lease, Power Purchase, and Put & Call Agreement Information

Real Property Use:	Office Building/Fire Station
Tenant:	Green ² Solar Leasing, LLC
Tenant Signer Name:	Richard Ragatz
Tenant Signer Title:	VP Operations
Leased Space Rent Payment:	\$67.50 per year
Leased Equipment Rent Payment:	\$6.75 per year
Put and Call Year:	12

Purchase Agreement

31.5 kW DC Silfab SLG-M345 or equivalent,
33.3 kW AC SolarEdge SE33K Inverters,
SolarEdge P700 Power Optimizers &
IronRidge, S5! Clips W/ Unistrut Flushmount Racking or
equivalent @ approximately 5°

Xcel Solar Rewards

This **PURCHASE AGREEMENT** (this "Agreement"), dated January 29, 2018 is between **IDEAL ENERGIES, LLC**, a Minnesota limited liability company, whose principal place of business is located at 5810 Nicollet Avenue Minneapolis, MN 55419 ("Seller"), and **CITY OF ELKO NEW MARKET**, a MN City, whose principal place of business is located at 601 Main Street, PO Box 99, Elko New Market, MN 55020 ("Customer"). Seller and Customer are sometimes also referred to in this Agreement jointly as "Parties", or individually as a "Party".

RECITALS

- A. Seller sells and installs grid-tied photovoltaic solar electric systems (the "Energy System") and Customer desires to purchase and install an Energy System on the Installation Location described above (the "Site" or "Real Property"); and
- B. Seller has or will apply for Rebates (as described below) on behalf of Customer for the Energy System, and after the Rebates are secured for the Project (as defined below), will install the Energy System, all on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE CUSTOMER'S PROJECT SECURING THE REBATE DESCRIBED IN SECTION 9 BELOW.**
2. **Services.** After the Project has secured the Rebate, if available, Seller will, at its expense, perform electrical engineering on the Energy System, perform structural engineering on the Site to verify it is adequate to support the Energy System, provide and install an Energy System of **31.5 kW DC** on the Site, and perform Energy System commissioning (the "Project"). The Energy System will consist of the Energy System components identified on **Schedule A** (the "System Components") and the Project's design documents (the "Design Documents").
3. **Title and Risk of Loss.** Title and risk of loss for the Energy System will pass to Customer upon Final Project Completion (as defined below), and completion of Inspection as provided under paragraph 4.
4. **Inspection.** Upon Final Project Completion, the Customer will have ten (10) days to inspect the goods and installation for compliance with this Agreement. As the result of the inspection, the Customer will:
 - a. Accept the goods subject to an inspection report requiring correction and make payment; or
 - b. Refuse to make payment until corrections are complete.
5. **Purchase and Sale; Installation Costs and Payment Terms.** Seller agrees to sell and Customer agrees to purchase the

Customer / Owner	City of Elko New Market
Installation Location	Public Works - 25499 Natchez Avenue, Elko New Market, MN 55020
Xcel Premise #	302245372

Energy System and the services provided for hereunder for a total cost for the Project (the "Installation Cost") of **\$117500.00**. The Installation Cost will be paid in full net 15 days after the Final Project Completion, except in the event that Customer has entered into an Installment Sale Finance Agreement or a Facility Lease Agreement with Seller or Seller's affiliates, in which case the terms of those agreements will govern payment of the Installation Cost.

6. **Customer's Representations and Responsibilities.**

- a. Customer represents either (i) that the Site is owned by Customer, or an affiliated entity that has common ownership with Customer, as described in **Schedule B**, or (ii) that where Customer leases the Site from a non-affiliated owner, Customer has obtained the written permission of the Site's owner to install the Energy System at the Site to the extent required under such lease.
- b. The individual listed in **Schedule B** is authorized to act on behalf of Customer.
- c. Customer will, at least two weeks before the Energy System is commissioned, provide either a wireless internet connection or a RJ45 internet outlet at the electrical room for connecting web-based monitoring equipment. If needed, Seller will provide this service for an additional fee.
- d. If required by the applicable Rebate program, Customer will participate in energy audits to identify additional energy savings opportunities.

7. **Seller's Representations and Responsibilities.**

- a. Seller will provide all System Components, labor, equipment, supplies and services necessary to install the Energy System and the System Components at the Site in accordance with the "Scope of Work" described in **Schedule C**.
 - b. Seller will perform all services in compliance with all applicable laws, rules, regulations, governmental approvals and permits, including all applicable agreements with, and tariffs of, the local utility (collectively, "Applicable Requirements").
8. **Installation Plan.** Customer and Seller will work together to develop a proposed work plan and schedule for the installation (the "Schedule"). If events arise which make meeting the Schedule impractical, such as availability of equipment and other reasonable delays, Seller will notify Customer of the same as soon as reasonably possible, and the Parties will adjust the Schedule accordingly. The Project will be completed when system witness test is performed and the full system is turned on and is capable, and authorized under all Applicable Requirements, to generate and deliver electric energy to Customer and the local utility's electrical grid at the Interconnection Point ("Final Project Completion"). Notwithstanding any delays, the anticipated date for Final Project Completion is Summer/Fall, 2018

9. **Changes.**

- a. It is the desire of the Parties to keep changes to the Project to a minimum. Either Party may initiate a change by advising the other Party in writing of the change. For any change request, Seller will prepare a revised Schedule and a cost estimate. Customer will advise Seller in writing of its approval or disapproval of the change. If Customer approves the change, Seller will perform the services as changed, and the Installation Costs will be updated.
- b. The equipment selected by Seller and described on **Schedule A** may be substituted by Seller with other substantially comparable equipment (with at least a 10-year manufacturer's workmanship warranty and a 25-year production warranties achieving at least 80% of rated capacity) as required to accommodate structural limitations of the building, the availability of equipment, or other reasonable reasons. In the event a Rebate is paid based on the use of specific equipment and the equipment is substituted with new equipment, the new equipment will have an equal or greater Rebate.

10. **Rebates, Utility Bill Credits, and Tax Credits.** The Parties anticipate the Project will be eligible for the following rebates and credits:

- a. The Project should be eligible to receive the **Xcel Solar Rewards** (the "Rebate") totaling **\$0.08** per kWh generated from the Energy System paid to Customer (or its assignee) from **Xcel Energy**. The Rebate is scheduled to be paid annually for ten consecutive years based on the prior year's annual kWh production. In exchange for receiving the Rebate, Customer agrees to convey Renewable Energy Credits ("RECs") for the Project to **Xcel Energy**, and execute any required paperwork. Any RECs remaining after the termination of the conveyance to **Xcel Energy** belong to the Customer.
- b. The Project is eligible to receive a Federal Tax Credit from the U.S. Treasury pursuant to the terms of the Lease equal to **30%** of the Energy System's eligible Installation Cost ("Tax Credit") for Energy Systems put into service during **2017, 2018 or 2019**.
- c. Customer should be eligible to participate in the local utility's **Net Metering Program**. Under this program, the energy generated from the Energy System is available for use and reduces the total amount of energy that needs to be purchased from the utility, and for months where the Energy System produces more kWh than the site consumes, the utility will compensate Customer at the applicable rate.

11. **Insurance.**

- a. Seller will, at its own cost and expense, maintain in full force and effect, insurance reasonable and customary for the services being performed by Seller under this Agreement. Seller shall provide Customer with certificate(s) evidencing such insurance prior to commencement of any work at the Site. The Seller shall obtain and maintain for the duration of this Agreement, statutory Worker's Compensation Insurance and Employer's liability Insurance as required under the laws of the State of Minnesota. Any insurance policies obtained by Seller shall provide that such policy of insurance cannot be terminated or cancelled by the insurer without 30 days prior written notice to Customer.
- b. Customer will at all times, at its own cost and expense, maintain in full force and effect, insurance reasonable and customary for the Site and, after the Final Project

Completion has occurred, for the Energy System and the System Components.

- c. As required, Customer will provide Seller and the Utility with a certificate of insurance that conforms with the Rebate and Utility program requirements.

12. **Seller's Waiver and Indemnity Regarding Liens.** To the fullest extent permitted under the Applicable Requirements, Seller waives any right to file or impose any mechanic's, materialman's, or other liens with respect to the Site or the Project. Seller shall promptly pay all undisputed amounts owed for services, materials, equipment, and labor furnished by any person to Seller with respect to the Project. Seller shall, at Seller's sole cost and expense, discharge and cause to be released, whether by payment or posting of an appropriate surety bond in accordance with the Applicable Requirements, within thirty (30) days of its filing, any mechanic's, materialmen's, or other lien in respect of the Project, the Energy System, or the Site created by, through or under, or as a result of any act or omission (or alleged act or omission) of, Seller or any subcontractor or other person providing services, materials, equipment or labor with respect to the Project. If Seller defaults in its obligation to discharge, satisfy or settle such liens, Customer may discharge, satisfy or settle such liens and Seller shall, within fifteen (15) days of a written request by Customer, reimburse Customer for all costs and expenses incurred by Customer to discharge, satisfy or settle such Liens.

13. **Warranties.**

- a. Seller will provide the warranties set forth on **Schedule D** hereto. Except as otherwise set forth in **Schedule D**, the System Components furnished and installed by Seller, but not manufactured by Seller (including without limitation the solar modules, inverters, power optimizers, racking, and monitoring equipment and their performance/energy output), will carry only the warranty of their manufacturer. For more detailed information about warranties on the System Components, please see the applicable manufacturer's specification sheets and warranties included in the Operations Manual provided to Customer, or available on the manufacturer's websites. Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer at its own expense, and may look only to such manufacturer, and not to Seller, for any warranty with respect thereto. Seller will assist Customer in resolving any warranties relating to System Components on a time and material basis.

- b. **EXCEPT AS EXPRESSLY PROVIDED IN SCHEDULE D, SELLER MAKES NO WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTY AS TO THE INSTALLATION, DESIGN, DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS, USEFUL LIFE, ENERGY PRODUCTION, PROJECTED ECONOMIC VIABILITY, FINANCIAL DATA AND PROJECTIONS, ROOF PERFORMANCE, FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER MATTER OF THE ENERGY SYSTEM, THE SYSTEM COMPONENTS, THE PROJECT, OR ANY SERVICES PROVIDED UNDER THIS AGREEMENT.**

14. **Ownership of Project Documents and Design.** All Design Documents shall be the sole and exclusive property of Seller. Seller grants Customer a perpetual, royalty free license to use

the Design Documents for its own private use in conjunction with the ownership and operation of the Energy System.

15. Indemnification; Limitation of Damages.

- a. Subject to the limitations set forth below, Seller hereby indemnifies and holds harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "Damages") incurred or suffered by any of them caused by (i) any material breach of this Agreement by Seller, performance of work or services or (ii) the negligence, gross negligence or willful misconduct of Seller, its employees, or subcontractors in connection with the Project. The Seller shall take all reasonable precautions for the safety of all employees on the site and shall provide reasonable protection to prevent damage or loss to the property on the site or properties adjacent thereto and to work, materials and equipment under the Seller's control.
- b. Customer hereby indemnifies and holds harmless Seller and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any Damages incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any material breach of this Agreement by Customer, or (ii) the negligence, gross negligence or willful misconduct of Customer or its employees in connection with the Project.
- c. A Party claiming indemnification will give the other Party prompt notice of the relevant claim and will reasonably cooperate with the indemnifying Party, at the indemnifying Party's expense, in the defense of such claim. The indemnifying Party shall control the defense and settlement of such claim; provided however that the indemnifying Party shall not agree to any settlement that affects the indemnified Party without the prior written consent of the indemnified Party, which approval shall not be unreasonably withheld. The indemnified Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.
- d. **IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING FROM, CONNECTED WITH OR RELATING TO THIS AGREEMENT, THE ENERGY SYSTEM OR THE PROJECT, OR TO SELLER'S OR CUSTOMER'S ACTS OR OMISSIONS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, WHETHER FOR NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE, EXCEPT FOR ANY DAMAGES OF THIRD PARTIES FOR WHICH ONE PARTY IS REQUIRED TO INDEMNIFY THE OTHER PARTY.**
- e. **IN NO EVENT WILL SELLER'S LIABILITY, EXCLUDING ANY LIABILITY WITH RESPECT TO INDEMNIFICATION OF THIRD PARTY CLAIMS, WHETHER IN CONTRACT, IN TORT (INCLUDING GROSS NEGLIGENCE), IN STRICT LIABILITY OR OTHERWISE, EXCEED THE AMOUNT OF THE INSTALLATION COSTS PAID TO SELLER.**
- f. **Patented Devices, Materials and Processes.** If this Agreement requires, or Seller desires, the use of any design, device, material or process covered by letters,

patent or copyright, trademark or trade name, Seller shall provide for such use by suitable legal agreement with the patentee or Customer and a copy of said agreement shall be filed with the Customer. If no such agreement is made or filed as noted, Seller shall indemnify and hold harmless the Customer from any and all claims for infringement by reason of the use of any such patented designed, device, material or process, or any trademark or trade name or copyright in connection with the services agreed to be performed under the contract, and shall indemnify and defend the Customer for any costs, liability, expenses and attorney's fees that result from any such infringement.

- g. **Copyright.** Seller shall defend actions or claims charging infringement of any copyright or patent by reason of the use or adoption of any designs, drawings or specifications supplied by it, and it shall hold harmless the Customer from loss or damage resulting therefrom.
- h. **Software License.** If the equipment provided by the Seller pursuant to this Agreement contains software, including that which the manufacturer may have embedded into the hardware as an integral part of the equipment, the Seller shall pay all software licensing fees. The Seller shall also pay for all software updating fees for a period of one year following cutover. The Seller shall have no obligation to pay for such fees thereafter. Nothing in the software license or licensing agreement shall obligate the Customer to pay any additional fees as a condition for continuing to use the software.

16. Termination. This Agreement may be terminated as follows:

- a. Either Party may terminate this Agreement by providing the other Party written notice in the event (i) the Rebate is not secured within two (2) years after the date first written above, or (ii) the structural analysis indicates the Site is not capable of supporting the solar array (except where Seller provides alternate equipment and/or structural retrofits or other requirements specified in the structural engineering report that render the Site suitable for installing the solar array in the Installation Costs). In addition, Seller may, in its sole discretion, terminate this Agreement by providing Customer written notice in the event the procurement times for solar equipment are too long to allow execution on the Project in accordance with the terms of this Agreement.
- b. Customer may terminate this Agreement by giving written notice to Seller at any time prior to completion of the Project in the event that: (i) Seller has breached any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Seller of the breach, and the breach has continued without cure by Seller or written waiver by Customer for a period of thirty (30) days after the notice of breach; or (ii) upon sixty (60) days' prior notice to Seller if Seller has not achieved Final Project Completion on or prior to **December 31, 2018**.
- c. Seller may terminate this Agreement by giving written notice to Customer at any time prior to completion of the Project in the event Customer has breached any representation, warranty or covenant contained in this Agreement in any material respect, Seller has notified Customer of the breach, and the breach has continued without cure by Customer or written waiver by Seller for a period of thirty (30) days after the notice of breach.
- d. If either Party terminates this Agreement pursuant to Sections 16(a), 16(b) or 16(c), all rights and obligations of the Parties under this Agreement will terminate without any

liability of any Party to any other Party, except with respect to Section 15, Section 17, and as otherwise provided in this Section 16, and except for any liability of any Party then in breach.

- e. Except as otherwise provided in this Section 16, the termination rights under this Section 16 are cumulative with and in addition to any other rights or remedies to which the Parties may be entitled at law or under this Agreement.

17. **General.**

- a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate Agreements**") to which Seller or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.
- b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- c. **Entire Agreement.** This Agreement and the **Schedules** hereto, together with any agreements referenced herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
- d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- e. **Amendment.** This Agreement may be amended or modified only by a document executed by the Parties. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, product unavailability, civil commotion, riots, invasions, wars, acts of God, terrorism, or any cause

(whether similar or dissimilar to the foregoing) beyond the reasonable control of the Parties.

- i. **Governing Law / Venue** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.
- k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party, provided Seller may assign this Agreement in connection with the sale of any or all of its assets to a third party or Bank. Any attempted assignment or transfer without prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.
- l. **Marketing and Promotion.** Seller shall not use Customer's name, image or likeness in connection with advertising and promoting the Project or the Energy System without Customer's approval, which shall not be unreasonably withheld.
- m. **Prompt Payment to Subcontractors.** Pursuant to Minnesota Statute 471.425, Subdivision 4a, the Seller must pay any subcontractor within ten (10) days of the Seller's receipt of payment from the Customer for undisputed services provided by the subcontractor. The Seller must pay interest of one and one-half percent (1½ %) per month or any part of a month to subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is \$6.75. For an unpaid balance of less than \$100.00, the Seller shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Seller shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.
- n. **Trade Secret Data Provided to Governmental Entities.** Seller may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Seller qualifies as trade secret under the law. For Seller data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Seller designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Seller ten (10) days' notice before releasing the data in order to permit the Seller to exercise whatever legal remedies are available to the Seller to prevent such disclosure.

The Parties hereto have caused this Agreement to be duly signed in their respective names effective the date first written above.

Seller:
Ideal ~~Energies, LLC~~

By: _____
Chris Psihos, its President

Dated: 1-29-18

Customer:
City of Elko New Market

SIGN HERE

By: _____
Name: Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____

SCHEDULE A

System Components

The Energy System will consist of the following System Components:

1. UL Listed and approved Solar Panels: **Silfab SLG-M345 or equivalent; 345 kW DC each**
2. UL listed and approved DC/AC inverters: **SolarEdge SE33K; 33.3 kW AC total**
3. Power Optimizers: **SolarEdge P700**
4. Solar Panel Racking / mounting system: **IronRidge, S5! Clips W/ Unistrut Flushmount Racking or equivalent @ approximately 5°**
5. Electrical components including but not limited to conductive wiring, ground circuitry, conduit, junction boxes, disconnects, switches, over-current protection, and any associated hardware necessary to complete the installation of the solar electric modules and interconnect with the Site's existing electric service.
6. Monitoring equipment and web-based remote system monitoring. Customer is responsible for bringing and providing internet service at the installation location (typically the electrical room).

The Parties agree that The Energy System does **NOT** include the following unless purchased as an option (except where Seller includes them in the Installation Costs):

1. Any structural improvements to the building required to support the Energy System and the System Components.
2. Batteries or emergency back-up power capability.
3. Any Upgrades to Customer's electrical service to bring their service up to code.

SCHEDULE B

Contact Information for Parties

Real Property Owner: Owner of Property/Building where the Energy System is installed]

City of Elko New Market
601 Main Street, PO Box 99, Elko New Market, MN 55020

Customer's Authorized Representative: Name & telephone number of Customer's contact for managing this Project]

Mark Nagel
952-461-2777

Seller/Installer:

Ideal Energies, LLC
Chris Psihos t. (612)928-5008
chris.psihos@idealenergies.com
5810 Nicollet Avenue Minneapolis, MN 55419

Project Electrician(s):

Green² Electric, LLC
Russell Goetze t. (612)928-5008 f. (612)928-5009
5810 Nicollet Avenue Minneapolis, MN 55419
License EA719118

Oxbow Sunworks
Morgan Southard t. (651)408-3962
5633 Memorial Ave. No. Stillwater, MN 55082
License EA691504

SCHEDULE C

Scope of Work

A. Design Scope

1. Seller will prepare structural and electrical Design Documents describing the Project.
2. Seller will comply with all building codes and, as necessary, obtain any code variances.
3. Seller will ensure that the Energy System installation meets then current National Electrical Code requirements.
4. Seller will apply for all permits, and complete inspections to close such permits after Project Completion.
5. Seller will apply for interconnection of the Energy System and net metering with the local utility.

B. Installation

1. Seller will furnish and install all required material or equipment for a complete installation.
2. Seller will connect the Energy System to Customer's electric panel.
3. Seller will commission and test the Energy System after installation.
4. Electrical interconnections will be performed by licensed electricians.
5. Except as provided in the Purchase Agreement, the Parties agree that Seller will not be liable for any indirect or consequential losses incurred by Customer as a result of the Energy System installation. Such losses may result from disruption of operations, interruption of electrical service, suspension of mechanical services and other interruptions reasonably related to standard Energy System installation of the size and type contemplated by the Project.

C. Safety

1. Seller will adhere to all current safety laws including without limitation federal, state and local safety regulations.
2. Seller's workers will conform to standard OSHA safety practices and procedures during installation.

D. General

1. Seller will provide all required design, engineering, construction, administration and management services necessary to complete the Project.
2. Seller will take all action reasonably necessary or required to bring the Project to commercial operation.
3. Seller will provide to Customer copies of all operating and maintenance manuals and third party warranties.
4. Customer is responsible for scheduling and completing, if necessary, the energy audit required for purposes of the Rebates.

SCHEDULE D

Seller's Warranties

Engineering and Design Services Warranty Seller warrants that it will perform the engineering and design services in a professional and workmanlike manner using the degree of care, skill, prudence, judgment and diligence that a reasonable, qualified and competent provider of similar services would exercise. Except as otherwise provided herein, during the period beginning on the Final Project Completion date and ending five years later (the "**Warranty Period**"), it is shown that there was an error in such engineering and design services as a result of Seller's failure to meet those standards, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, re-perform such services to remedy such error within a reasonable timeframe.

Installation Services Warranty Seller warrants that it will perform the installation services in a professional and workmanlike manner using the degree of care, skill, prudence, judgment and diligence that a reasonable, qualified and competent provider of similar services would exercise. Except as otherwise provided herein, if during the Warranty Period it is shown that there was an error in such installation services as a result of Seller's failure to meet those standards, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, re-perform such services to remedy such error within a reasonable timeframe.

Limited System Components Warranty Seller warrants that the System Components will be new and not physically damaged by Seller at the time of Final Project Completion. If Customer notifies Seller within a reasonable timeframe after Final Project Completion that any System Components were not new or are physically damaged by Seller at the time of Final Project Completion, Seller shall replace such System Components within a reasonable timeframe with System Components that are new and undamaged.

Roof Warranty Except as otherwise provided herein, if during the Warranty Period it is shown that the roof leaks solely as a result of Seller's installation of the Energy System, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, promptly repair the roof so that it does not leak; provided that such leaking is not due to normal wear and tear.

Limitation on Warranties The above warranties do NOT cover damage, malfunctions or services failures to the extent caused by:

1. Failure to follow the any applicable operations or maintenance manual or any other maintenance instructions provided by Seller or the manufacturer of the System Components, or failure to maintain or operate the Energy System;
2. Repair, modification, maintenance, movement or relocation of the Energy System or the System Components by someone other than a service technician approved by Seller or the manufacturer of the System Components;
3. Attachment or connection to the Energy System of any equipment not supplied by Seller, or the use of the Energy System for a purpose for which the Project was not intended;
4. Abuse, misuse or acts of Customer or any third person (other than Seller or its employees or agents), including intentional damage, theft or vandalism; or
5. Damage or deteriorated performance of the Energy System or Site caused by electrical surges, building settling, building component failure, work done on the building or adjacent structures, use of machinery or vehicle in the area, winds in excess of the system design rating, lightning, fire, flood, extreme weather conditions, pests, tornadoes, hurricanes, hail, storms, explosions, earthquakes, ground subsidence, falling debris, accidental breakages (not caused by Seller or its employees or agents), normal wear and tear, and other events or accidents outside the reasonable control of Seller.

Customer's Right to Remedy In the event that Seller fails to remedy any breach of warranty within the prescribed timeframe under this Schedule D or such breach threatens imminent harm to Customer or its property, Customer shall have the right to employ any reasonable means necessary to remedy such breach, and shall have any remedy available in law or equity, and Seller shall reimburse Customer for all expenses incurred by Customer in carrying out such remedy.

Facility Lease Agreement

31.5 kW DC Silfab SLG-M345 or equivalent,
33.3 kW AC SolarEdge SE33K Inverters,
SolarEdge P700 Power Optimizers &
IronRidge, S5! Clips W/ Unistrut Flushmount Racking or
equivalent @ approximately 5°

Customer / Owner	City of Elko New Market
Installation Location	Public Works - 25499 Natchez Avenue, Elko New Market, MN 55020
Xcel Premise #	302245372

Xcel Solar Rewards

This FACILITY LEASE AGREEMENT (this "Agreement"), dated January 29, 2018, is between GREEN² SOLAR LEASING, LLC, a Minnesota limited liability company, whose principal place of business is located at 5810 Nicollet Avenue, Minneapolis, MN 55419 ("Tenant"), and CITY OF ELKO NEW MARKET, a MN City, whose principal place of business is located at 601 Main Street, PO Box 99, Elko New Market, MN 55020 ("Customer"). The Tenant and Customer are sometimes also referred to in this Agreement jointly as "Parties", or individually as a "Party".

RECITALS

- A. Customer is the owner or lessee of certain real property located at PUBLIC WORKS - 25499 NATCHEZ AVENUE, ELKO NEW MARKET, MN 55020 (the "Installation Location") presently used as an Office Building/Fire Station (the "Property"); and
- B. Tenant desires to lease from Customer, and Customer desires and is authorized to lease to Tenant, subject to the terms and conditions of this Agreement, a portion of the Property for the construction, operation and maintenance of a photovoltaic solar electric system ("Energy System") as defined in that certain Purchase Agreement (the "Purchase Agreement") between Customer and Ideal Energies, LLC ("Seller") of even date herewith; and
- C. Customer has or will be the legal owner of the Energy System upon purchasing it from Ideal Energies, LLC, and Customer desires to lease the same to Tenant subject to the terms and conditions of this Agreement; and
- D. Tenant and Customer will, in connection with this Agreement, enter into a Power Purchase Agreement (the "Power Purchase Agreement") pursuant to which Tenant will sell power generated by the Energy System to Customer; and
- E. For federal tax purposes, Customer and Tenant will treat this Agreement as a transfer of the ownership of the Energy System from Customer to Tenant; and
- F. Tenant is eligible to receive a Federal Tax Credit from the U.S. Treasury pursuant to the terms of this Lease equal to 30% of the Energy System's eligible Installation Cost ("Tax Credit") for Energy Systems put into service during 2017, 2018 or 2019.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT.**

2. **Energy System and Leased Space.** Customer hereby leases to Tenant and Tenant hereby leases from Customer the following: (a) the Energy System and (b) all roof/ground space required for the installation and operation of the Energy System on the Property ("Leased Space") as generally prescribed on the Plan View drawing included herewith as Schedule A, including rights to place wiring to the point of electrical interconnection. The Energy System and the Leased Space together constitute the leased property ("Leased Property"). The final As-Built Plan View drawing provided by Seller in its Operations Manual is hereby incorporated into Schedule A of this Agreement by reference.
3. **System Payments. Tax Ownership.**
 - a. **Installation Cost Payment.** Tenant will pay Customer's Installation Cost (as defined in the Purchase Agreement) on the Final Project Completion date.
 - b. **Transfer of Tax Ownership.** The Parties shall treat the Energy System as having been sold to the Tenant for federal tax purposes in consideration of the payments made under Section 3(a) above.
4. **Rebate.** The Rebate, as defined in the Purchase Agreement, including any increase resulting from Seller's substitution of panel with a greater Rebate, (the "Rebate") is irrevocably assigned to Tenant as additional consideration and will be treated by Tenant as a fee earned for services. In the event the actual Rebate received is greater or less than the expected Rebate described in the Purchase Agreement Section 9a, there will be no adjustment to the Rebate or the terms of this Agreement, and each Party waives its right to recover any surplus or deficiency from the other Party.
5. **Access to Leased Space.** Customer grants to Tenant the right to access the Leased Space via reasonable route or routes over and across the Property upon reasonable prior notice to Customer. Customer will cooperate with Tenant to access the meter or any other part of the Energy System which are not located within the Leased Property.
6. **Permitted Use of Leased Space.** During the Term (as defined below), Tenant shall have the exclusive right to use the Leased Space for the construction, installation, operation, maintenance, repair, replacement, relocation, reconfiguration, removal, alteration, modification, improvement, use and enjoyment of the Energy System and other necessary and incidental uses for the operation of the Energy System to fulfill Tenant's obligations under the Power Purchase Agreement (the "Permitted Uses"). Tenant may not erect any other facilities or use any other equipment on the Leased Space that is not expressly permitted under the terms of this Agreement without first obtaining Customer's written consent, which consent shall not be unreasonably withheld, delayed or conditioned provided the other facilities or equipment are necessary for the operation of the Energy System and are not

- likely, in Customer's reasonable opinion, to damage the Property or interfere with Customer's business.
7. **Term.** The term (the "Term") of this Agreement shall begin on the date that Final Project Completion occurs, and shall expire on the date that is **twenty (20) years** after Final Project Completion occurs.
 8. **Rent of Leased Space.** Beginning on the first anniversary of the Final Project Completion and continuing on each and every anniversary thereof throughout the Term, Tenant shall pay to Customer rent for the Leased Space in the amount of **\$67.50** per year.
 9. **Rent of Energy System.** Beginning on the first anniversary of the Final Project Completion and continuing on each and every anniversary thereof throughout the Term, Tenant shall pay to Customer rent for the Energy System in the amount of **\$6.75** per year.
 10. **Holdover.** If Tenant holds over its tenancy after expiration of the Term, such tenancy shall be month-to-month subject to the terms and conditions of this Agreement. Either Party may terminate such month-to-month tenancy at any time upon the giving to the other Party no less than thirty (30) days written notice.
 11. **Operating Permits.** Tenant shall, at its sole expense, maintain in full force and effect all certificates, permits and other approvals ("**Operating Permits**") required by any federal, state or local authorities ("**Governmental Authorities**") having jurisdiction over Tenant or the Leased Property.
 12. **Ownership and Maintenance of Energy System.** The Parties agree that legal title to any and all fixtures, equipment, improvements or personal property of whatsoever nature at any time constructed or placed on or affixed to the Leased Space by Tenant, including without limitation the Energy System, shall be and remain with Customer. Tenant shall leave the Energy System at the end of the Term in substantially the same condition as existed on the Final Project Completion date plus any improvements, ordinary wear and tear and casualty damage excepted.
 13. **Energy System Operation and Maintenance.**
 - a. **Tenant will Maintain System.** Tenant will at its sole cost and expense operate the Energy System and monitor the system's performance and keep and maintain the Energy System in good condition and repair, utilizing the Maintenance List provided in **Exhibit B** herewith as a guideline, with strict adherence hereto not expected by the parties. In the case of casualty, Tenant agrees to repair the Energy System to the extent available insurance proceeds are received resulting from such casualty, along with any deductible due under said policies that Customer will pay Tenant in accordance with Section 17.a. Tenant shall repair any damage to the Property, with contractors approved by Customer (such approval not to be unreasonably withheld), that results from the Energy System's repair, reconfiguration, alteration, modification or replacement. Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer at its own expense, and may look only to such manufacturer, and not to Tenant, for any warranty with respect thereto. Tenant will assist Customer in resolving any warranties relating to System Components on a time and material basis.
 - b. **Operation and Maintenance Standard of Care.** Tenant will use commercially reasonable efforts to identify, respond to, and complete necessary maintenance and repairs and to operate the Energy System, to maximize the Energy System's production. Notwithstanding the foregoing, the Parties understand that delays may be caused by multiple causes including without limitation delay in the identification of operational issues, troubleshooting issues, warranty replacement, warranty procurement, parts availability, parts delivery, crew availability, equipment defects, equipment performance, and similar causes.
 14. **Repair of Leased Space During Term.** Customer shall have the right at any time to access the Leased Space to inspect, maintain, replace or repair items and components thereof, excluding the Energy System. Customer, at its own cost, and using Seller or another third party approved by Tenant (which approval will not be unreasonably withheld), shall temporarily remove such components of the Energy System as will interfere with Customer's inspection, maintenance or repair of the roof, and shall replace such components upon completion of their work. Customer shall provide thirty (30) days prior notice to Tenant of any such maintenance or repair work to be done, unless in an emergency, in which case Customer shall give such notice as soon as possible. Customer will reimburse Tenant for any lost Rebate revenue resulting from the Energy System being non-operational during Customer's repairs. Reimbursement under this Section is only due where the total cumulative downtime over the Term of the Lease exceeds 30 days
 15. **Utilities/taxes.** Customer shall pay all taxes and assessments levied after Final Project Completion upon the Energy System and other personal property located and/or installed on the Property by Tenant, and Customer's real property.
 16. **Interference.**
 - a. **Interference by Tenant.** Tenant shall operate the Energy System in a manner that will not unreasonably interfere with any existing operations or equipment located, operated or owned by Customer or any other permitted occupants as of the date of this Agreement ("**Existing Operations**"). All operations by Tenant shall be lawful and in material compliance with all regulations and requirements of the Minnesota Public Utilities Commission, as well as any other applicable state, federal or local regulations and requirements ("**Legal Requirements**") and any applicable agreements with, or tariffs of, the local utility.
 - b. **Interference by Customer.** Following installation of the Energy System, Customer shall not, and shall not cause or permit any other persons or parties to, install equipment or facilities or construct or allow any construction of a structure or structures ("**New Construction**") near the Leased Space if such New Construction will interfere with the Energy System. Customer shall not move, modify, remove, adjust, alter, change, replace, reconfigure or operate the Energy System, or any part of it, during the term of the Agreement, without prior written direction or approval of Tenant, except if there is an occurrence reasonably deemed by Customer to be a bona fide emergency, in which case Customer will immediately notify Tenant of such emergency and Customer's proposed actions. Customer shall be responsible for, and promptly notify Tenant, of any damage to the Energy System caused by the Customer or its employees, invitees or agents, and shall promptly pay Tenant the costs to repair such damage to the Energy System, along with any lost Rebate revenue.
 17. **Insurance.**

a. **General Liability and Property Insurance.** Customer shall keep the Energy System insured against loss by fire, theft, hail and wind and such other hazard as Tenant shall reasonably require with an insurance company acceptable to Tenant (for purposes of this Lease, the League of Minnesota Insurance Trust is deemed acceptable) in its reasonable discretion and at all times an amount equal to the Installation Cost (as defined in the Purchase Agreement). The insurance policy(ies) shall name Tenant as an additional insured and be payable to Customer and Tenant as their interests may appear. Customer shall also secure and maintain adequate comprehensive general liability insurance against liability related to the Energy System. Customer shall provide Tenant with evidence of having acquired such insurance coverages prior to the date of Final Project Completion and on an annual basis thereafter. The loss, injury or destruction of the Energy System shall not release Customer from payment as provided in this Agreement. Any insurance policies obtained by Customer shall provide that such policy of insurance cannot be terminated or cancelled by the insurer without 30 days prior written notice to Tenant. Customer is responsible for any deductibles due under the insurance policies for losses, and will pay Tenant said deductible along with insurance proceeds to repair the Energy System.

b. **Workers' Compensation Insurance and Employers' Liability Insurance.** In accordance with Minnesota state law, Tenant shall maintain in force workers' compensation insurance for all of its employees. Tenant shall also maintain employer's liability coverage in an amount of not less than One Million Dollars (\$1,000,000.00) per accident. Tenant shall also secure and maintain adequate comprehensive general liability insurance against liability related to the Leased Premises. Upon request, Tenant will provide Customer with a Certificate of Insurance naming Customer as an additional insured.

18. **Indemnification**

a. Tenant shall indemnify and hold harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "Damages") incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any breach of this Agreement by Tenant, or (ii) the negligence, gross negligence or willful misconduct of Tenant or its employees or agents in connection with the transactions contemplated by this Agreement.

b. Tenant shall indemnify Customer from any mechanic's, materialman's, or other lien with respect to the Property or the Leased Property to the extent such lien is attributable to Tenant's failure to pay the Installation Cost.

c. Customer shall indemnify and hold harmless Tenant and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any Damages incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any breach of this Agreement by Customer, or (ii) the negligence, gross negligence or willful misconduct of Customer or its employees or agents in connection with the transactions contemplated by this Agreement.

d. A Party claiming indemnification will give the other Party prompt notice of the relevant claim and will reasonably cooperate with the indemnifying Party, at the indemnifying

Party's expense, in the defense of such claim. The indemnifying Party shall control the defense and settlement of such claim; provided however that the indemnifying Party shall not agree to any settlement that affects the indemnified Party without the prior written consent of the indemnified Party, which approval shall not be unreasonably withheld. The Indemnified Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.

19. **Event of Default.** Each of the following shall constitute an event of default ("Event of Default"):

a. Tenant shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Tenant of the breach, and the breach as continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of the breach;

b. Tenant fails to comply with any of its obligations under the terms of the Lease, Customer has notified the Tenant of such failure, and the failure has continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of failure;

c. Tenant shall cease to do business, become insolvent, make an assignment for benefit of its creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors; or

d. Any involuntary petition shall be filed under any bankruptcy statute against Tenant or any receiver trustee, or similar official shall be appointed to take possession of the properties of Tenant unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment.

20. **Remedies.** If an Event of Default by Tenant shall occur, Customer may, at its option, exercise any one or more of the following remedies:

i. Recover any additional damages and expenses sustained by Customer by reason the Event of Default;

ii. Exercise any other remedies available under law or equity; or

iii. Any remedy available at law.

The remedies provided herein shall be cumulative and may be exercised singularly, concurrently or successively with and in addition to all other remedies in law or equity. If either Party fails to perform any of its obligations under this Agreement, the other Party may (but need not) at any time thereafter perform such obligation, and the expenses incurred in connection therewith shall be payable in full by the nonperforming Party upon demand. In addition, the nonperforming Party agrees to pay the other Party's reasonable attorney's fees and costs of collection in pursuing any remedies.

21. **General.**

a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "Utility Rebate Agreements") to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in

this Agreement shall prevent the Utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.

- b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- c. **Entire Agreement.** This Agreement and the Schedules hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
- d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, terrorism or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.
- k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party.

Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under this Agreement to a controlled affiliate of Tenant, assign its rights under the Power Purchase Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank.

- l. **Quiet Possession.** Customer agrees that upon compliance with the terms and conditions of this Agreement, Tenant shall peaceably and quietly have, hold and enjoy the Leased Space for the Term and any extensions thereof.
- m. **Trade Secret Data Provided to Governmental Entities.** Tenant may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Tenant qualifies as trade secret under the law. For Tenant data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Tenant designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Tenant ten (10) days' notice before releasing the data in order to permit the Tenant to exercise whatever legal remedies are available to the Seller to prevent such disclosure.

The Parties acknowledge they have read this Agreement, understand it and agree to be bound by its terms and conditions as of the date first set forth above.

Tenant:
Green² Solar Leasing, LLC
By: Richard Ragatz
Richard Ragatz, its VP Operations

Dated: 1/29/18

Customer:
City of Elko New Market
By: _____
Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____

SIGN HERE

SCHEDULE A

Site Plan

Facility Plan View Drawing Indicating the Final Location of the Energy System on the Leased Space and the point of interconnection of the Energy System with the electrical system at the Property

[The above document is provided by Seller, and is included in the Owner's Manual that is provided to the Customer after Final Project Completion]

SCHEDULE B

Maintenance Items

- A. Weekly performance monitoring via online monitoring system to validate performance of panels and inverters, energy production; benchmark performance vs. similar systems for validation
- B. Identify any defective equipment via on-line monitoring system
- C. Semi-annual site audits of system performing the following tasks
 - i. Inspect panels, inverters, and racking for physical damage
 - ii. Clean any debris on or under the solar arrays
 - iii. Ensure labels are intact
 - iv. Check for loose hanging wires, repair as necessary
 - v. Check electrical connections; tighten/torque as necessary
 - vi. Check for corrosion of electrical enclosures, repair as necessary
 - vii. Ensure roof drainage is adequate, that roof drains are not clogged, and confirm there are no signs of pooling water in the vicinity of the solar array
- D. Management of System Component Warranty Claims

Power Purchase Agreement

31.5 kW DC Silfab SLG-M345 or equivalent,
 33.3 kW AC SolarEdge SE33K Inverters,
 SolarEdge P700 Power Optimizers &
 IronRidge, S5! Clips W/ Unistrut Flushmount Racking or
 equivalent @ approximately 5°

Customer / Owner	City of Elko New Market
Installation Location	Public Works - 25499 Natchez Avenue, Elko New Market, MN 55020
Xcel Premise #	302245372

Xcel Solar Rewards

This **POWER PURCHASE AGREEMENT** (this "Agreement"), dated January 29, 2018, is between **GREEN2 SOLAR LEASING, LLC** a Minnesota limited liability company, whose principal place of business is located at **5810 Nicollet Avenue, Minneapolis, MN 55419** ("Tenant"), and **CITY OF ELKO NEW MARKET**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** ("Customer"). Tenant and Customer are sometimes also referred to in this Agreement jointly as "Parties", or individually as a "Party".

RECITALS

- A. Tenant leases, operates and maintains Customer's photovoltaic solar electric system (the "Energy System") (as located at the Installation Location (the "Installation Location") described above as defined in that certain Purchase Agreement (the "Purchase Agreement") between Customer and **Ideal Energies, LLC** of even date herewith) pursuant to a Facility Lease Agreement (the "Lease") between the Parties of even date herewith; and
- B. Tenant desires to sell renewable electric power inclusive of all rights to its available environmental attributes to Customer, and Customer desires to purchase from Tenant all such electricity which is produced by the Energy System; and
- C. Tenant or its affiliate has, or will, apply for the "Rebate" (as defined in the Purchase Agreement)) on behalf of Customer. After award of the Rebate and before Final Project Completion (as defined in the Purchase Agreement), Customer will enter into an agreement ("Utility Agreement") with the local utility ("Utility"), pursuant to which Customer will assign all renewable energy credits ("RECs") for electricity produced by the Energy System during the term of the Rebate to the Utility in exchange for the Rebate; and
- D. Customer is eligible to participate in the Utility's **Net Metering Program**. Under this program, the energy generated from the Energy System is available for use and reduces the total amount of energy that needs to be purchased from the Utility. Under this program, for months where the Energy System produces more kWh than the site consumes, the Utility will compensate Customer at the applicable rate; and
- E. Pursuant to the Lease, Tenant should be eligible to receive a Federal Tax Credit from the U.S. Treasury equal to 30% of the Energy Systems Eligible Installation Cost ("Tax Credit") for Energy Systems put into service during 2017, 2018 or 2019.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT.**

2. **Power Purchase.** Tenant shall deliver all power generated from the Energy System to Customer at the point of interconnection shown on Schedule A to the Lease. Customer will pay Tenant for all the power generated from the Energy System and delivered to the interconnection point by making the payments specified in **Schedule A** (the "Power Payments"). The Power Payments are due monthly beginning on the first day of the first month following the Final Project Completion date and continuing each month until expiration of the Term (as defined below) of this Agreement. Power payments do not include any sales tax. Sales tax will be added to the Power Payments based on Customer's applicable sales tax rate. Customer will either mail or wire payments to Tenant as provided below.

Mail
 Anchor Solar Investments, LLC
 c/o Green² Solar Leasing, LLC
 5810 Nicollet Avenue
 Minneapolis MN 55419

3. **Ownership of Renewable Energy Credits.** Customer owns all REC's. Customer will convey to the Utility pursuant to the Utility Agreement, all RECs generated by the Energy System for the term specified in the Utility Agreement. For purposes of this Agreement, RECs include all attributes of an environmental or other nature that are created or otherwise arise from the Energy System, including without limitation tags, certificates or similar projects or rights associated with solar energy as a "green" or "renewable" electric generation resource. RECs shall also include any other environmental attribute intended to be transferred to the Utility under the Utility Agreement.
4. **Term.** The term (the "Term") of this Agreement shall begin on the date that Final Project Completion occurs, and shall expire on the date that is twenty (20) years after Final Project Completion occurs.
5. **Late Charge/Costs of Collection.** In the event Customer fails to make any Power Payment when due, Customer agrees that the greater of \$50, or interest due based on an interest rate not to exceed the lesser of one and one-half percent (1-1/2%) per month or the highest rate permitted by law for commercial transactions, may be charged as a late charge on a monthly basis on the amount of any Power Payment remaining unpaid more than 10 days after it is due from the due date until paid in full. In addition, Customer agrees to pay Tenant's attorney's fees and costs of collection, including expert witness fees, whether a lawsuit is commenced or not commenced, and Customer's liability for attorneys' fees and costs of collection, including expert witness fees, extends to any appeals.
6. **Grant of Security Interest.** In order to secure the payment and performance of all of Customer's liabilities, obligations and covenants under this Agreement or the Lease, Customer hereby grants to Tenant a security interest in all Rebates and the Energy System, together with all attachments, accessories or replacement parts and labor placed upon the Energy System, and proceeds thereof. Upon the request of Tenant, Customer shall promptly obtain a subordination agreement in favor of Tenant from any third party lienholder who may have a

lien in the Energy System. Customer irrevocably assigns the right to receive Rebates to Tenant and Tenant may exercise this right upon default of Customer. Tenant's security interest and other rights under this Section 8 shall be extinguished upon the later of termination of this Agreement and the Lease and performance of all of Customer's obligations hereunder and thereunder, and Tenant shall execute and file any evidence of such extinguishment reasonably requested by Customer.

7. **Insurance.** Customer shall keep the Energy System insured against loss by fire, theft, hail and wind and such other hazards as required by the Lease.

8. **Events of Default.** Each of the following shall constitute an event of default ("**Event of Default**"):

- a. Customer shall fail to make any undisputed payment to Tenant when due hereunder, Tenant has notified the Customer of such failure, and the failure has continued without cure by Customer or written waiver by Tenant for a period of thirty (30) days after the notice of failure;
- b. Customer shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Tenant has notified Customer of the breach, and the breach has continued without cure by Customer or written waiver by Tenant for a period of thirty (30) days after the notice of breach;
- c. Customer shall cease to do business, become insolvent, make an assignment for the benefit of creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors;
- d. Any involuntary petition shall be filed under any bankruptcy statute against Customer or any receiver, trustee, or similar official shall be appointed to take possession of the properties of Customer unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment; or
- e. The Customer fails to comply with any of its obligations under any of Customer's agreements with the Utility.
- f. Tenant shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Tenant of the Breach, and the breach as continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of the breach.
- g. Tenant fails to comply with any of its obligations under the terms of the Lease, Customer has notified the Tenant of such failure, and the failure has continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of failure.
- h. Tenant shall cease to do business, become insolvent, make an assignment for benefit of its creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors;
- i. Any involuntary petition shall be filed under any bankruptcy statute against Tenant or any receiver, trustee, or similar official shall be appointed to take possession of the properties of Tenant unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment

9. **Remedies.**

- a. If an Event of Default by Customer shall occur, Tenant may, at its option, exercise any one or more of the following remedies:

- i. Declare all amounts due or to become due under this Agreement immediately due and payable;
 - ii. Recover any additional damages and expenses sustained by Tenant by reason the Event of Default;
 - iii. Enforce the security interest granted hereunder, in which event Customer agrees to make the Energy System available to Tenant at a place or places acceptable to Tenant and Tenant shall have the right to take possession of the Energy System without legal process for which purpose Tenant may enter any premises where the Energy System may be found without legal process and without breaching the peace, provided that in such case the fair market value of the Energy System shall offset any amounts due under this Agreement;
 - iv. Retain all payments made by Customer as liquidated damages for the non-performance of this Agreement, for use of the Energy System and for depreciation thereof; and
 - v. Exercise any other remedies available under law, including those under Article 9 of the UCC.
- b. In the event the Energy System is sold, foreclosed on, or repossessed in the manner provided herein or by law and the fair market value of the Energy System is not sufficient to pay the amount due under this Agreement, Customer agrees to pay immediately to Tenant such deficiency. In the event the Energy System is sold, foreclosed on, or repossessed in the manner provided herein or by law and the fair market value of the Energy System exceeds the amount that Customer is required to pay Tenant under this Agreement, Tenant agrees to pay immediately to Customer such excess.
 - c. If an Event of Default by Tenant shall occur, Customer may, at its option, exercise any one or more of the following remedies:
 - i. Recover any additional damages and expenses sustained by Customer by reason the Event of Default;
 - ii. Exercise any other remedies available under law or equity; or
 - iii. Any remedy available at law;

The remedies provided herein shall be cumulative and may be exercised singularly, concurrently or successively with and in addition to all other remedies in law or equity. If either Party fails to perform any of its obligations under this Agreement, the other Party may (but need not) at any time thereafter perform such obligation, and the expenses incurred in connection therewith shall be payable in full by the nonperforming Party upon demand. In addition, the nonperforming Party agrees to pay the other Party's reasonable attorney's fees and costs of collection in pursuing any remedies.

10. **Annual Energy Production Not Guaranteed.** THE PARTIES UNDERSTAND AND AGREE THE ANNUAL ENERGY PRODUCTION FROM THE ENERGY SYSTEM MAY VARY FROM ANNUAL PROJECTIONS FOR REASONS BEYOND THE PARTIES CONTROL INCLUDING WITHOUT LIMITATION SEASON WEATHER VARIATIONS, ROUTINE AND NON-ROUTINE MAINTENANCE CAUSING DOWNTIME, EQUIPMENT PERFORMANCE, PROCESSING ANY EQUIPMENT WARRANTIES FOR MALFUNCTIONING EQUIPMENT, FORCED MAJEURE, ETC. THE

PARTIES UNDERSTAND THAT THE REBATES AND UTILITY BILL CREDITS ARE PAID PROPORTIONALLY WITH ENERGY SYSTEM ENERGY PRODUCTION, AND THAT THE ACTUAL AMOUNTS RECEIVED BY CUSTOMER WILL VARY ACCORDINGLY. TENANT DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, THAT PRODUCTION WILL MATCH PROJECTIONS, AND CUSTOMER AND TENANT ASSUME, AT THEIR SOLE RISK, THE VARIABILITY OF ANNUAL ENERGY PRODUCTION AND VARIATIONS FROM ANY FINANCIAL PROJECTIONS RELATING TO UTILITY BILL CREDITS AND REBATES.

11. **Customer's Maximum Payment Obligation.** Customer's maximum payment obligation to Tenant under this Agreement is the sum of all the Power Purchase Payments listed in Schedule A.
12. **Power Production Adjustment.** In any 12 month period beginning with the Final Project Completion Date that the solar array does not produce at least 900 kWh per KW DC, Tenant will reimburse Customer within 60 days after the then applicable twelve month period as follows: Total payments made over the then applicable 12 month period * (1 - (actual kWh/kWDC / 900 kWh/kWDC)). For Example, a 40 kWDC Solar array produces 800 kWh/kWDC and power payments equaling \$3000 are paid during the then applicable 12 month period. A \$333.33 cash reimbursement will be paid to the Customer that is calculated as follows: $\$3000 * (1 - 800/900) = \333.33 .
13. **Miscellaneous.**
 - a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate Agreements**") to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the Utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.
 - b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
 - c. **Entire Agreement.** This Agreement and the Schedules hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
 - d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
 - e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any affect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.
- k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party. Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under the Lease Agreement to a controlled affiliate of Tenant, assign its rights under this Power Purchase Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank
- l. **Time is of the Essence.** Time is of the essence with respect to all of the terms of this Agreement.
- m. **Prompt Payment to Subcontractors.** Pursuant to Minnesota Statute 471.425, Subdivision 4a, the Tenant must pay any subcontractor within ten (10) days of the Seller's receipt of payment from the Customer for undisputed services provided by the subcontractor. The Tenant must pay interest of one and one-half percent (1½ %) per month or any part of a month to subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is

SCHEDULE A Power Purchase Payment Schedule

31.5 kW DC Silfab SLG-M345 or equivalent, 33.3 kW AC SolarEdge SE33K Inverters, SolarEdge P700 Power Optimizers & IronRidge, S5! Clips W/ Unistrut Flushmount Racking or equivalent @ approximately 5°

Green ² Solar Leasing, LLC					
Year	Utility Bill Expense				
	Lease Runs Full Term			Call or Put is Exercised	
	(Power Purchase Expense)			(Power Purchase Expense)	
	(\$/Year)	(\$/Month)		(\$/Year)	(\$/Month)
1	\$ 2,903.40	\$ 241.95	\$ 2,903.40	\$ 241.95	
2	\$ 2,943.00	\$ 245.25	\$ 2,943.00	\$ 245.25	
3	\$ 3,060.12	\$ 255.01	\$ 3,060.12	\$ 255.01	
4	\$ 3,181.80	\$ 265.15	\$ 3,181.80	\$ 265.15	
5	\$ 3,308.40	\$ 275.70	\$ 3,308.40	\$ 275.70	
6	\$ 3,439.92	\$ 286.66	\$ 3,439.92	\$ 286.66	
7	\$ 3,576.72	\$ 298.06	\$ 3,576.72	\$ 298.06	
8	\$ 3,719.04	\$ 309.92	\$ 3,719.04	\$ 309.92	
9	\$ 3,867.00	\$ 322.25	\$ 3,867.00	\$ 322.25	
10	\$ 4,020.72	\$ 335.06	\$ 4,020.72	\$ 335.06	
11	\$ 4,180.68	\$ 348.39	\$ 4,180.68	\$ 348.39	
12	\$ 4,347.00	\$ 362.25	\$ 4,347.00	\$ 362.25	
13	\$ 3,050.00	\$ 254.16			
14	\$ 3,050.00	\$ 254.16			
15	\$ 3,050.00	\$ 254.16			
16	\$ 3,050.00	\$ 254.16			
17	\$ 3,050.00	\$ 254.16			
18	\$ 3,050.00	\$ 254.16			
19	\$ 3,050.00	\$ 254.16			
20	\$ 3,050.00	\$ 254.16			
21					
22					
23					
24					
25					
TOTAL	\$ 66,947.80		\$ 42,547.80		

Put and Call Agreement

31.5 kW DC Silfab SLG-M345 or equivalent,
33.3 kW AC SolarEdge SE33K,
SolarEdge P700 Power Optimizers &
IronRidge, S5! Clips W/ Unistrut Flushmount Racking or
equivalent @ approximately 5°

Xcel Solar Rewards

This **PUT AND CALL AGREEMENT** (this "Agreement"), dated January 29, 2018 is between **Green² Solar Leasing, LLC**, a Minnesota limited liability company, whose principal place of business is located at **5810 Nicollet Avenue, Minneapolis, MN 55419** ("Tenant"), and **City of Elko New Market**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** ("Customer"). Tenant and Customer are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**".

RECITALS

- A. Customer is the purchaser of a photovoltaic solar electric system (the "**Energy System**") located at the Installation Location described above (the "**Installation Location**") (and as defined in the Purchase Agreement between Customer and **Ideal Energies, LLC** ("**Seller**") of even date herewith (the "**Purchase Agreement**")); and
- B. Tenant is the lessee of the Energy System and associated rights under the **Facility Lease Agreement** with Customer (the "**Lease**") of even date herewith, and Tenant sells the Energy System generated from the Energy System pursuant to a Power Purchase Agreement with Customer (the "**Power Purchase Agreement**") of even date herewith (Tenant's interests in the Lease and **Power Purchase Agreement** is referred to herein as the "**Interest**"); and
- C. The Parties hereto now desire to enter into this Agreement to set forth the terms and conditions upon which Tenant has an option to put its Interest to the Customer and upon which Customer has an option to call Tenant's Interest from Tenant.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT AND NEITHER PARTY HAS TERMINATED THE LEASE OR POWER PURCHASE AGREEMENT.**
2. **Put of Tenant's Interest.** Commencing on the **12 year anniversary of the Final Project Completion Date**, and for a period of **six (6) months thereafter** (the "**Put Period**"), Tenant shall have the right and option to require Customer to purchase all, but not less than all, of Tenant's Interest (the "**Put**"). Tenant may exercise the Put by delivering notice of exercise of such option in writing to Customer during the Put Period. If exercised, Tenant shall be obligated to sell, and Customer shall be obligated to purchase, all of the Interests owned by Tenant. The purchase price for the Interest shall be **\$1.00** (the "**Put**

Customer / Owner	City of Elko New Market
Installation Location	Public Works - 25499 Natchez Avenue, Elko New Market, MN 55020
Xcel Premise #	302245372

Price"). The date of the Put closing will be thirty (30) days following the notice of exercise of the Put, or such earlier date as the Parties may agree in writing (the "**Put Closing Date**"). The Put Price shall be paid by Customer to Tenant in cash on the Put Closing Date. Each Party shall remain liable for any obligations arising under the Lease prior to the Put Closing Date.

3. **Call of Tenant's Interest.** For a period of **one (1) year beginning the day following the last day of the Put Period** (the "**Call Period**"), Customer shall have the right and option to purchase all, but not less than all, of Tenant's Interest (the "**Call**"). Customer may exercise the Call by delivering notice of exercise of such option to Tenant during the Call Period. If exercised, Customer shall be obligated to purchase, and Tenant shall be obligated to sell, all of the Interest owned by Tenant. The purchase price for the Interest pursuant to the Call shall be an amount equal to the fair market value (the "**Fair Market Value Price**") of such Interest and the Energy System as agreed by the Parties and if no agreement is possible, then by an independent qualified appraiser selected by the Customer and the cost of which is paid for by the Tenant (the "**Call Price**"). The Parties agree that a reasonable method of establishing the Fair Market Value Price is to use a discounted cash flow value. As of the date hereof, the Parties believe that a discount rate of 15% is reasonable. The date of the Call closing shall be thirty (30) days following delivery of the notice of exercise of the Call, or such earlier date as the Parties may agree in writing (the "**Call Closing Date**"). The Call Price shall be paid by Customer to Tenant in cash on the Call Closing Date. Each Party shall remain liable for any obligations arising under the Lease prior to the Call Closing Date.
4. **Obligations following exercise of Put or Call.**
 - a. **Tenant.** After the transfer and assignment of the Interest pursuant to the Put or Call, Tenant shall have no further obligations in connection with the Interest.
 - b. **Customer.** After the transfer and assignment of the Interest pursuant to the Put or Call, Customer shall make, if not already paid, the Power Payments described in Schedule A of the Power Purchase Agreement between the Parties of even date herewith beginning with the month after Project Completion through and including the month of the Put or Call Closing date. Customer is not obligated to pay Tenant any Power Purchase Payments after the Put or Call Closing date through the end of the Term specified in the Power Purchase Agreement.
5. **Miscellaneous.**
 - a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate Agreements**") to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The utility, or its successors and assigns, is a third-party

beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.

- b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- c. **Entire Agreement.** This Agreement and the Schedules hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
- d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, terrorism or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party.

Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.

- k. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under the Lease Agreement to a controlled affiliate of Tenant, assign its rights under the Power Purchase Agreement a controlled affiliate of Tenant, assign its rights under this Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank
- l. **Time is of the Essence.** Time is of the essence with respect to all of the terms of this Agreement.
- m. **Trade Secret Data Provided to Governmental Entities.** Tenant may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Tenant qualifies as trade secret under the law. For Tenant data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Tenant designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Tenant ten (10) days' notice before releasing the data in order to permit the Tenant to exercise whatever legal remedies are available to the Tenant to prevent such disclosure.

The Parties acknowledge they have read this Agreement, understand it and agree to be bound by its terms and conditions as of the date first set forth above.

Tenant:
Green² Solar Leasing, LLC

By: *Richard Ragatz*
Richard Ragatz, its VP Operations

Dated: 1/29/18

Customer:
City of Elko New Market



By: _____
Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____



Solar Array Purchase, Capital Lease & Power Purchase Agreements w/ Put & Call

40.000 kW DC Silfab SLG-M345 or equivalent,
40.10 kW AC SolarEdge SE20K Inverters,
SolarEdge P700 Power Optimizers &
Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @ approximately 10 degrees

Xcel Solar Rewards

Customer Information

Date: January 29, 2018
Solar Array Legal Owner: **City of Elko New Market**
Customer Corporate Form: MN City
Customer Mailing Address: 601 Main Street, PO Box 99, Elko New Market, MN 55020
Customer Signer Name: Bob Crawford and Sandra Green
Customer Signer Title: Mayor and City Clerk
Customer Authorized Representative: Mark Nagel
Customer Authorized Representative Tel: 952-461-2777

Installation Address: **City Hall / Fire Station - 601 Main Street, Elko New Market, MN 55054**
Premise Number: 302220666
Real Property Owner: City of Elko New Market
Real Property Owner Mailing Address: 601 Main Street, PO Box 99, Elko New Market, MN 55020

Project Information

System Size in kW DC: 40.000 (kW DC)
Installation Cost: \$149000.00
Project Completion Date: Summer 2018
Rebate Name: Xcel Solar Rewards
Rebate Amount: \$0.08 per /kWh)
Rebate Payer: Xcel Energy
REC Owner: Xcel Energy
Tax Credit Percent: 30%

Panel Description: Silfab SLG-M345 or equivalent
Panel Size in Watts DC: 345 (Watts DC)
Inverter Description: SolarEdge SE20K
Total Inversion in kW AC: 40.10 (kW AC)
Power Optimizer Description: SolarEdge P700
Solar Racking Description: Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @ approximately 10 degrees

Lease, Power Purchase, and Put & Call Agreement Information

Real Property Use: Office Building/Fire Station
Tenant: Green² Solar Leasing, LLC
Tenant Signer Name: Richard Ragatz
Tenant Signer Title: VP Operations
Leased Space Rent Payment: \$90.00 per year
Leased Equipment Rent Payment: \$10.00 per year
Put and Call Year: 12

Purchase Agreement

40.000 kW DC Silfab SLG-M345 or equivalent,
40.10 kW AC SolarEdge SE20K Inverters,
SolarEdge P700 Power Optimizers &
Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @
approximately 10 degrees

Xcel Solar Rewards

This **PURCHASE AGREEMENT** (this "**Agreement**"), dated January 29, 2018, is between **IDEAL ENERGIES, LLC**, a Minnesota limited liability company, whose principal place of business is located at 5810 Nicollet Avenue Minneapolis, MN 55419 ("**Seller**"), and **CITY OF ELKO NEW MARKET**, a MN City, whose principal place of business is located at 601 Main Street, PO Box 99, Elko New Market, MN 55020 ("**Customer**"). Seller and Customer are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**".

RECITALS

- A. Seller sells and installs grid-tied photovoltaic solar electric systems (the "**Energy System**") and Customer desires to purchase and install an Energy System on the Installation Location described above (the "**Site**" or "**Real Property**"); and
- B. Seller has or will apply for Rebates (as described below) on behalf of Customer for the Energy System, and after the Rebates are secured for the Project (as defined below), will install the Energy System, all on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE CUSTOMER'S PROJECT SECURING THE REBATE DESCRIBED IN SECTION 9 BELOW.**
2. **Services.** After the Project has secured the Rebate, if available, Seller will, at its expense, perform electrical engineering on the Energy System, perform structural engineering on the Site to verify it is adequate to support the Energy System, provide and install an Energy System of **40.000 kW DC** on the Site, and perform Energy System commissioning (the "**Project**"). The Energy System will consist of the Energy System components identified on **Schedule A** (the "**System Components**") and the Project's design documents (the "**Design Documents**").
3. **Title and Risk of Loss.** Title and risk of loss for the Energy System will pass to Customer upon Final Project Completion (as defined below), and completion of Inspection as provided under paragraph 4.
4. **Inspection.** Upon Final Project Completion, the Customer will have ten (10) days to inspect the goods and installation for compliance with this Agreement. As the result of the inspection, the Customer will:
 - a. Accept the goods subject to an inspection report requiring correction and make payment; or
 - b. Refuse to make payment until corrections are complete.
5. **Purchase and Sale; Installation Costs and Payment Terms.** Seller agrees to sell and Customer agrees to purchase the

Customer / Owner	City of Elko New Market
Installation Location	City Hall / Fire Station - 601 Main Street, Elko New Market, MN 55054
Xcel Premise #	302220666

Energy System and the services provided for hereunder for a total cost for the Project (the "**Installation Cost**") of **\$149000.00**. The Installation Cost will be paid in full net 15 days after the Final Project Completion, except in the event that Customer has entered into an Installment Sale Finance Agreement or a Facility Lease Agreement with Seller or Seller's affiliates, in which case the terms of those agreements will govern payment of the Installation Cost.

6. **Customer's Representations and Responsibilities.**

- a. Customer represents either (i) that the Site is owned by Customer, or an affiliated entity that has common ownership with Customer, as described in **Schedule B**, or (ii) that where Customer leases the Site from a non-affiliated owner, Customer has obtained the written permission of the Site's owner to install the Energy System at the Site to the extent required under such lease.
- b. The Individual listed in **Schedule B** is authorized to act on behalf of Customer.
- c. Customer will, at least two weeks before the Energy System is commissioned, provide either a wireless Internet connection or a RJ45 Internet outlet at the electrical room for connecting web-based monitoring equipment. If needed, Seller will provide this service for an additional fee.
- d. If required by the applicable Rebate program, Customer will participate in energy audits to identify additional energy savings opportunities.

7. **Seller's Representations and Responsibilities.**

- a. Seller will provide all System Components, labor, equipment, supplies and services necessary to install the Energy System and the System Components at the Site in accordance with the "Scope of Work" described in **Schedule C**.
- b. Seller will perform all services in compliance with all applicable laws, rules, regulations, governmental approvals and permits, including all applicable agreements with, and tariffs of, the local utility (collectively, "**Applicable Requirements**").

8. **Installation Plan.** Customer and Seller will work together to develop a proposed work plan and schedule for the installation (the "**Schedule**"). If events arise which make meeting the Schedule impractical, such as availability of equipment and other reasonable delays, Seller will notify Customer of the same as soon as reasonably possible, and the Parties will adjust the Schedule accordingly. The Project will be completed when system witness test is performed and the full system is turned on and is capable, and authorized under all Applicable Requirements, to generate and deliver electric energy to Customer and the local utility's electrical grid at the Interconnection Point ("**Final Project Completion**"). Notwithstanding any delays, the anticipated date for Final Project Completion is Summer/Fall, 2018

9. **Changes.**

- a. It is the desire of the Parties to keep changes to the Project to a minimum. Either Party may initiate a change by advising the other Party in writing of the change. For any change request, Seller will prepare a revised Schedule and a cost estimate. Customer will advise Seller in writing of its approval or disapproval of the change. If Customer approves the change, Seller will perform the services as changed, and the Installation Costs will be updated.
- b. The equipment selected by Seller and described on **Schedule A** may be substituted by Seller with other substantially comparable equipment (with at least a 10-year manufacturer's workmanship warranty and a 25-year production warranties achieving at least 80% of rated capacity) as required to accommodate structural limitations of the building, the availability of equipment, or other reasonable reasons. In the event a Rebate is paid based on the use of specific equipment and the equipment is substituted with new equipment, the new equipment will have an equal or greater Rebate.

10. **Rebates, Utility Bill Credits, and Tax Credits.** The Parties anticipate the Project will be eligible for the following rebates and credits:

- a. The Project should be eligible to receive the **Xcel Solar Rewards** (the "**Rebate**") totaling **\$0.08** per kWh generated from the Energy System paid to Customer (or its assignee) from **Xcel Energy**. The Rebate is scheduled to be paid annually for ten consecutive years based on the prior year's annual kWh production. In exchange for receiving the Rebate, Customer agrees to convey Renewable Energy Credits ("**RECs**") for the Project to **Xcel Energy**, and execute any required paperwork. Any RECs remaining after the termination of the conveyance to **Xcel Energy** belong to the Customer.
- b. The Project is eligible to receive a Federal Tax Credit from the U.S. Treasury pursuant to the terms of the Lease equal to **30%** of the Energy System's eligible Installation Cost ("**Tax Credit**") for Energy Systems put into service during **2017, 2018 or 2019**.
- c. Customer should be eligible to participate in the local utility's **Net Metering Program**. Under this program, the energy generated from the Energy System is available for use and reduces the total amount of energy that needs to be purchased from the utility, and for months where the Energy System produces more kWh than the site consumes, the utility will compensate Customer at the applicable rate.

11. **Insurance.**

- a. Seller will, at its own cost and expense, maintain in full force and effect, insurance reasonable and customary for the services being performed by Seller under this Agreement. Seller shall provide Customer with certificate(s) evidencing such insurance prior to commencement of any work at the Site. The Seller shall obtain and maintain for the duration of this Agreement, statutory Worker's Compensation Insurance and Employer's liability Insurance as required under the laws of the State of Minnesota. Any insurance policies obtained by Seller shall provide that such policy of insurance cannot be terminated or cancelled by the insurer without 30 days prior written notice to Customer.
- b. Customer will at all times, at its own cost and expense, maintain in full force and effect, insurance reasonable and customary for the Site and, after the Final Project

Completion has occurred, for the Energy System and the System Components.

- c. As required, Customer will provide Seller and the Utility with a certificate of insurance that conforms with the Rebate and Utility program requirements.

12. **Seller's Waiver and Indemnity Regarding Liens.** To the fullest extent permitted under the Applicable Requirements, Seller waives any right to file or impose any mechanic's, materialman's, or other liens with respect to the Site or the Project. Seller shall promptly pay all undisputed amounts owed for services, materials, equipment, and labor furnished by any person to Seller with respect to the Project. Seller shall, at Seller's sole cost and expense, discharge and cause to be released, whether by payment or posting of an appropriate surety bond in accordance with the Applicable Requirements, within thirty (30) days of its filing, any mechanic's, materialmen's, or other lien in respect of the Project, the Energy System, or the Site created by, through or under, or as a result of any act or omission (or alleged act or omission) of, Seller or any subcontractor or other person providing services, materials, equipment or labor with respect to the Project. If Seller defaults in its obligation to discharge, satisfy or settle such liens, Customer may discharge, satisfy or settle such liens and Seller shall, within fifteen (15) days of a written request by Customer, reimburse Customer for all costs and expenses incurred by Customer to discharge, satisfy or settle such Liens.

13. **Warranties.**

- a. Seller will provide the warranties set forth on **Schedule D** hereto. Except as otherwise set forth in **Schedule D**, the System Components furnished and installed by Seller, but not manufactured by Seller (including without limitation the solar modules, inverters, power optimizers, racking, and monitoring equipment and their performance/energy output), will carry only the warranty of their manufacturer. For more detailed information about warranties on the System Components, please see the applicable manufacturer's specification sheets and warranties included in the Operations Manual provided to Customer, or available on the manufacturer's websites. Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer at its own expense, and may look only to such manufacturer, and not to Seller, for any warranty with respect thereto. Seller will assist Customer in resolving any warranties relating to System Components on a time and material basis.

EXCEPT AS EXPRESSLY PROVIDED IN SCHEDULE D, SELLER MAKES NO WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTY AS TO THE INSTALLATION, DESIGN, DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS, USEFUL LIFE, ENERGY PRODUCTION, PROJECTED ECONOMIC VIABILITY, FINANCIAL DATA AND PROJECTIONS, ROOF PERFORMANCE, FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER MATTER OF THE ENERGY SYSTEM, THE SYSTEM COMPONENTS, THE PROJECT, OR ANY SERVICES PROVIDED UNDER THIS AGREEMENT.

14. **Ownership of Project Documents and Design.** All Design Documents shall be the sole and exclusive property of Seller. Seller grants Customer a perpetual, royalty free license to use

the Design Documents for its own private use in conjunction with the ownership and operation of the Energy System.

15. **Indemnification; Limitation of Damages.**

- a. Subject to the limitations set forth below, Seller hereby indemnifies and holds harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "Damages") incurred or suffered by any of them caused by (i) any material breach of this Agreement by Seller, performance of work or services or (ii) the negligence, gross negligence or willful misconduct of Seller, its employees, or subcontractors in connection with the Project. The Seller shall take all reasonable precautions for the safety of all employees on the site and shall provide reasonable protection to prevent damage or loss to the property on the site or properties adjacent thereto and to work, materials and equipment under the Seller's control.
- b. Customer hereby indemnifies and holds harmless Seller and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any Damages incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any material breach of this Agreement by Customer, or (ii) the negligence, gross negligence or willful misconduct of Customer or its employees in connection with the Project.
- c. A Party claiming indemnification will give the other Party prompt notice of the relevant claim and will reasonably cooperate with the indemnifying Party, at the indemnifying Party's expense, in the defense of such claim. The indemnifying Party shall control the defense and settlement of such claim; provided however that the indemnifying Party shall not agree to any settlement that affects the Indemnified Party without the prior written consent of the indemnified Party, which approval shall not be unreasonably withheld. The indemnified Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.
- d. **IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING FROM, CONNECTED WITH OR RELATING TO THIS AGREEMENT, THE ENERGY SYSTEM OR THE PROJECT, OR TO SELLER'S OR CUSTOMER'S ACTS OR OMISSIONS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, WHETHER FOR NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE, EXCEPT FOR ANY DAMAGES OF THIRD PARTIES FOR WHICH ONE PARTY IS REQUIRED TO INDEMNIFY THE OTHER PARTY.**
- e. **IN NO EVENT WILL SELLER'S LIABILITY, EXCLUDING ANY LIABILITY WITH RESPECT TO INDEMNIFICATION OF THIRD PARTY CLAIMS, WHETHER IN CONTRACT, IN TORT (INCLUDING GROSS NEGLIGENCE), IN STRICT LIABILITY OR OTHERWISE, EXCEED THE AMOUNT OF THE INSTALLATION COSTS PAID TO SELLER.**
- f. **Patented Devices, Materials and Processes.** If this Agreement requires, or Seller desires, the use of any design, device, material or process covered by letters,

patent or copyright, trademark or trade name, Seller shall provide for such use by suitable legal agreement with the patentee or Customer and a copy of said agreement shall be filed with the Customer. If no such agreement is made or filed as noted, Seller shall indemnify and hold harmless the Customer from any and all claims for infringement by reason of the use of any such patented device, material or process, or any trademark or trade name or copyright in connection with the services agreed to be performed under the contract, and shall indemnify and defend the Customer for any costs, liability, expenses and attorney's fees that result from any such infringement.

- g. **Copyright.** Seller shall defend actions or claims charging infringement of any copyright or patent by reason of the use or adoption of any designs, drawings or specifications supplied by it, and it shall hold harmless the Customer from loss or damage resulting therefrom.
- h. **Software License.** If the equipment provided by the Seller pursuant to this Agreement contains software, including that which the manufacturer may have embedded into the hardware as an integral part of the equipment, the Seller shall pay all software licensing fees. The Seller shall also pay for all software updating fees for a period of one year following cutover. The Seller shall have no obligation to pay for such fees thereafter. Nothing in the software license or licensing agreement shall obligate the Customer to pay any additional fees as a condition for continuing to use the software.

16. **Termination.** This Agreement may be terminated as follows:

- a. Either Party may terminate this Agreement by providing the other Party written notice in the event (i) the Rebate is not secured within two (2) years after the date first written above, or (ii) the structural analysis indicates the Site is not capable of supporting the solar array (except where Seller provides alternate equipment and/or structural retrofits or other requirements specified in the structural engineering report that render the Site suitable for installing the solar array in the Installation Costs). In addition, Seller may, in its sole discretion, terminate this Agreement by providing Customer written notice in the event the procurement times for solar equipment are too long to allow execution on the Project in accordance with the terms of this Agreement.
- b. Customer may terminate this Agreement by giving written notice to Seller at any time prior to completion of the Project in the event that: (i) Seller has breached any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Seller of the breach, and the breach has continued without cure by Seller or written waiver by Customer for a period of thirty (30) days after the notice of breach; or (ii) upon sixty (60) days' prior notice to Seller if Seller has not achieved Final Project Completion on or prior to **December 31, 2018.**
- c. Seller may terminate this Agreement by giving written notice to Customer at any time prior to completion of the Project in the event Customer has breached any representation, warranty or covenant contained in this Agreement in any material respect, Seller has notified Customer of the breach, and the breach has continued without cure by Customer or written waiver by Seller for a period of thirty (30) days after the notice of breach.
- d. If either Party terminates this Agreement pursuant to Sections 16(a), 16(b) or 16(c), all rights and obligations of the Parties under this Agreement will terminate without any

liability of any Party to any other Party, except with respect to Section 15, Section 17, and as otherwise provided in this Section 16, and except for any liability of any Party then in breach.

- e. Except as otherwise provided in this Section 16, the termination rights under this Section 16 are cumulative with and in addition to any other rights or remedies to which the Parties may be entitled at law or under this Agreement.

17. **General.**

- a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate Agreements**") to which Seller or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.
- b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- c. **Entire Agreement.** This Agreement and the **Schedules** hereto, together with any agreements referenced herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
- d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- e. **Amendment.** This Agreement may be amended or modified only by a document executed by the Parties. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, product unavailability, civil commotion, riots, invasions, wars, acts of God, terrorism, or any cause

(whether similar or dissimilar to the foregoing) beyond the reasonable control of the Parties.

- i. **Governing Law / Venue** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.
- k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party, provided Seller may assign this Agreement in connection with the sale of any or all of its assets to a third party or Bank. Any attempted assignment or transfer without prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.
- l. **Marketing and Promotion.** Seller shall not use Customer's name, image or likeness in connection with advertising and promoting the Project or the Energy System without Customer's approval, which shall not be unreasonably withheld.
- m. **Prompt Payment to Subcontractors.** Pursuant to Minnesota Statute 471.425, Subdivision 4a, the Seller must pay any subcontractor within ten (10) days of the Seller's receipt of payment from the Customer for undisputed services provided by the subcontractor. The Seller must pay interest of one and one-half percent (1½ %) per month or any part of a month to subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is \$10.00. For an unpaid balance of less than \$100.00, the Seller shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Seller shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.
- n. **Trade Secret Data Provided to Governmental Entities.** Seller may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Seller qualifies as trade secret under the law. For Seller data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Seller designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Seller ten (10) days' notice before releasing the data in order to permit the Seller to exercise whatever legal remedies are available to the Seller to prevent such disclosure.

The Parties hereto have caused this Agreement to be duly signed in their respective names effective the date first written above.

Seller:
Ideal Energies, LLC

By: _____
Chris Psihos, Its President

Dated: 1-29-18

Customer:
City of Elko New Market

By: _____
Name: Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____

SIGN HERE

SCHEDULE A

System Components

The Energy System will consist of the following System Components:

1. UL Listed and approved Solar Panels: **Silfab SLG-M345 or equivalent; 345 kW DC each**
2. UL listed and approved DC/AC inverters: **SolarEdge SE20K; 40.10 kW AC total**
3. Power Optimizers: **SolarEdge P700**
4. Solar Panel Racking / mounting system: **Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @ approximately 10 degrees**
5. Electrical components including but not limited to conductive wiring, ground circuitry, conduit, junction boxes, disconnects, switches, over-current protection, and any associated hardware necessary to complete the installation of the solar electric modules and interconnect with the Site's existing electric service.
6. Monitoring equipment and web-based remote system monitoring. Customer is responsible for bringing and providing internet service at the installation location (typically the electrical room).

The Parties agree that The Energy System does **NOT** include the following unless purchased as an option (except where Seller includes them in the Installation Costs):

1. Any structural improvements to the building required to support the Energy System and the System Components.
2. Batteries or emergency back-up power capability.
3. Any Upgrades to Customer's electrical service to bring their service up to code.

SCHEDULE B

Contact Information for Parties

Real Property Owner: Owner of Property/Building where the Energy System is installed]

City of Elko New Market
601 Main Street, PO Box 99, Elko New Market, MN 55020

Customer's Authorized Representative: Name & telephone number of Customer's contact for managing this Project]

Mark Nagel
952-461-2777

Seller/Installer:

Ideal Energies, LLC
Chris Psihos t. (612)928-5008
chris.psihos@idealenergies.com
5810 Nicollet Avenue Minneapolis, MN 55419

Project Electrician(s):

Green² Electric, LLC
Russell Goetze t. (612)928-5008 f. (612)928-5009
5810 Nicollet Avenue Minneapolis, MN 55419
License EA719118

Oxbow Sunworks
Morgan Southard t. (651)408-3962
5633 Memorial Ave. No. Stillwater, MN 55082
License EA691504

SCHEDULE C

Scope of Work

A. Design Scope

1. Seller will prepare structural and electrical Design Documents describing the Project.
2. Seller will comply with all building codes and, as necessary, obtain any code variances.
3. Seller will ensure that the Energy System installation meets then current National Electrical Code requirements.
4. Seller will apply for all permits, and complete inspections to close such permits after Project Completion.
5. Seller will apply for interconnection of the Energy System and net metering with the local utility.

B. Installation

1. Seller will furnish and install all required material or equipment for a complete installation.
2. Seller will connect the Energy System to Customer's electric panel.
3. Seller will commission and test the Energy System after installation.
4. Electrical interconnections will be performed by licensed electricians.
5. Except as provided in the Purchase Agreement, the Parties agree that Seller will not be liable for any indirect or consequential losses incurred by Customer as a result of the Energy System installation. Such losses may result from disruption of operations, interruption of electrical service, suspension of mechanical services and other interruptions reasonably related to standard Energy System installation of the size and type contemplated by the Project.

C. Safety

1. Seller will adhere to all current safety laws including without limitation federal, state and local safety regulations.
2. Seller's workers will conform to standard OSHA safety practices and procedures during installation.

D. General

1. Seller will provide all required design, engineering, construction, administration and management services necessary to complete the Project.
2. Seller will take all action reasonably necessary or required to bring the Project to commercial operation.
3. Seller will provide to Customer copies of all operating and maintenance manuals and third party warranties.
4. Customer is responsible for scheduling and completing, if necessary, the energy audit required for purposes of the Rebates.

SCHEDULE D

Seller's Warranties

Engineering and Design Services Warranty Seller warrants that it will perform the engineering and design services in a professional and workmanlike manner using the degree of care, skill, prudence, judgment and diligence that a reasonable, qualified and competent provider of similar services would exercise. Except as otherwise provided herein, during the period beginning on the Final Project Completion date and ending five years later (the "Warranty Period"), it is shown that there was an error in such engineering and design services as a result of Seller's failure to meet those standards, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, re-perform such services to remedy such error within a reasonable timeframe.

Installation Services Warranty Seller warrants that it will perform the installation services in a professional and workmanlike manner using the degree of care, skill, prudence, judgment and diligence that a reasonable, qualified and competent provider of similar services would exercise. Except as otherwise provided herein, if during the Warranty Period it is shown that there was an error in such installation services as a result of Seller's failure to meet those standards, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, re-perform such services to remedy such error within a reasonable timeframe.

Limited System Components Warranty Seller warrants that the System Components will be new and not physically damaged by Seller at the time of Final Project Completion. If Customer notifies Seller within a reasonable timeframe after Final Project Completion that any System Components were not new or are physically damaged by Seller at the time of Final Project Completion, Seller shall replace such System Components within a reasonable timeframe with System Components that are new and undamaged.

Roof Warranty Except as otherwise provided herein, if during the Warranty Period it is shown that the roof leaks solely as a result of Seller's installation of the Energy System, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, promptly repair the roof so that it does not leak; provided that such leaking is not due to normal wear and tear.

Limitation on Warranties The above warranties do NOT cover damage, malfunctions or services failures to the extent caused by:

1. Failure to follow the any applicable operations or maintenance manual or any other maintenance instructions provided by Seller or the manufacturer of the System Components, or failure to maintain or operate the Energy System;
2. Repair, modification, maintenance, movement or relocation of the Energy System or the System Components by someone other than a service technician approved by Seller or the manufacturer of the System Components;
3. Attachment or connection to the Energy System of any equipment not supplied by Seller, or the use of the Energy System for a purpose for which the Project was not intended;
4. Abuse, misuse or acts of Customer or any third person (other than Seller or its employees or agents), including intentional damage, theft or vandalism; or
5. Damage or deteriorated performance of the Energy System or Site caused by electrical surges, building settling, building component failure, work done on the building or adjacent structures, use of machinery or vehicle in the area, winds in excess of the system design rating, lightning, fire, flood, extreme weather conditions, pests, tornadoes, hurricanes, hail, storms, explosions, earthquakes, ground subsidence, falling debris, accidental breakages (not caused by Seller or its employees or agents), normal wear and tear, and other events or accidents outside the reasonable control of Seller.

Customer's Right to Remedy In the event that Seller fails to remedy any breach of warranty within the prescribed timeframe under this Schedule D or such breach threatens imminent harm to Customer or its property, Customer shall have the right to employ any reasonable means necessary to remedy such breach, and shall have any remedy available in law or equity, and Seller shall reimburse Customer for all expenses incurred by Customer in carrying out such remedy.

Facility Lease Agreement

40.000 kW DC Sifab SLG-M345 or equivalent,
 40.10 kW AC SolarEdge SE20K Inverters,
 SolarEdge P700 Power Optimizers &
 Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @
 approximately 10 degrees

Customer / Owner	City of Elko New Market
Installation Location	City Hall / Fire Station - 601 Main Street, Elko New Market, MN 55054
Xcel Premise #	302220666

Xcel Solar Rewards

This **FACILITY LEASE AGREEMENT** (this "Agreement"), dated January 29, 2018, is between **GREEN² SOLAR LEASING, LLC**, a Minnesota limited liability company, whose principal place of business is located at **5810 Nicollet Avenue, Minneapolis, MN 55419** ("Tenant"), and **CITY OF ELKO NEW MARKET**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** ("Customer"). The Tenant and Customer are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**".

RECITALS

- A. Customer is the owner or lessee of certain real property located at **CITY HALL / FIRE STATION - 601 MAIN STREET, ELKO NEW MARKET, MN 55054** (the "**Installation Location**") presently used as an **Office Building/Fire Station** (the "**Property**"); and
- B. Tenant desires to lease from Customer, and Customer desires and is authorized to lease to Tenant, subject to the terms and conditions of this Agreement, a portion of the Property for the construction, operation and maintenance of a photovoltaic solar electric system ("**Energy System**") as defined in that certain Purchase Agreement (the "**Purchase Agreement**") between Customer and **Ideal Energies, LLC** ("**Seller**") of even date herewith; and
- C. Customer has or will be the **legal owner of the Energy System upon purchasing it from Ideal Energies, LLC**, and Customer desires to lease the same to Tenant subject to the terms and conditions of this Agreement; and
- D. Tenant and Customer will, in connection with this Agreement, enter into a **Power Purchase Agreement** (the "**Power Purchase Agreement**") pursuant to which Tenant will sell power generated by the Energy System to Customer; and
- E. For federal tax purposes, Customer and Tenant will treat this Agreement as a transfer of the ownership of the Energy System from Customer to Tenant; and
- F. Tenant is eligible to receive a Federal Tax Credit from the U.S. Treasury pursuant to the terms of this Lease equal to **30%** of the Energy System's eligible Installation Cost ("**Tax Credit**") for Energy Systems put into service during **2017, 2018 or 2019**.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT.**

2. **Energy System and Leased Space.** Customer hereby leases to Tenant and Tenant hereby leases from Customer the following: (a) the Energy System and (b) all roof/ground space required for the installation and operation of the Energy System on the Property ("**Leased Space**") as generally prescribed on the Plan View drawing included herewith as **Schedule A**, including rights to place wiring to the point of electrical interconnection. The Energy System and the Leased Space together constitute the leased property ("**Leased Property**"). The final As-Built Plan View drawing provided by Seller in its Operations Manual is hereby incorporated into **Schedule A** of this Agreement by reference.
3. **System Payments, Tax Ownership.**
 - a. **Installation Cost Payment.** Tenant will pay Customer's Installation Cost (as defined in the Purchase Agreement) on the Final Project Completion date.
 - b. **Transfer of Tax Ownership.** The Parties shall treat the Energy System as having been sold to the Tenant for federal tax purposes in consideration of the payments made under Section 3(a) above.
4. **Rebate.** The Rebate, as defined in the Purchase Agreement, including any increase resulting from Seller's substitution of panel with a greater Rebate, (the "Rebate") is irrevocably assigned to Tenant as a fee earned for services. In the event the actual Rebate received is greater or less than the expected Rebate described in the Purchase Agreement Section 9a, there will be no adjustment to the Rebate or the terms of this Agreement, and each Party waives its right to recover any surplus or deficiency from the other Party.
5. **Access to Leased Space.** Customer grants to Tenant the right to access the Leased Space via reasonable route or routes over and across the Property upon reasonable prior notice to Customer. Customer will cooperate with Tenant to access the meter or any other part of the Energy System which are not located within the Leased Property.
6. **Permitted Use of Leased Space.** During the Term (as defined below), Tenant shall have the exclusive right to use the Leased Space for the construction, installation, operation, maintenance, repair, replacement, relocation, reconfiguration, removal, alteration, modification, improvement, use and enjoyment of the Energy System and other necessary and incidental uses for the operation of the Energy System to fulfill Tenant's obligations under the Power Purchase Agreement (the "**Permitted Uses**"). Tenant may not erect any other facilities or use any other equipment on the Leased Space that is not expressly permitted under the terms of this Agreement without first obtaining Customer's written consent, which consent shall not be unreasonably withheld, delayed or conditioned provided the other facilities or equipment are necessary for the operation of the Energy System and are not

likely, in Customer's reasonable opinion, to damage the Property or interfere with Customer's business.

7. **Term.** The term (the "Term") of this Agreement shall begin on the date that Final Project Completion occurs, and shall expire on the date that is **twenty (20) years** after Final Project Completion occurs.
8. **Rent of Leased Space.** Beginning on the first anniversary of the Final Project Completion and continuing on each and every anniversary thereof throughout the Term, Tenant shall pay to Customer rent for the Leased Space in the amount of **\$90.00** per year.
9. **Rent of Energy System.** Beginning on the first anniversary of the Final Project Completion and continuing on each and every anniversary thereof throughout the Term, Tenant shall pay to Customer rent for the Energy System in the amount of **\$10.00** per year.
10. **Holdover.** If Tenant holds over its tenancy after expiration of the Term, such tenancy shall be month-to-month subject to the terms and conditions of this Agreement. Either Party may terminate such month-to-month tenancy at any time upon the giving to the other Party no less than thirty (30) days written notice.
11. **Operating Permits.** Tenant shall, at its sole expense, maintain in full force and effect all certificates, permits and other approvals ("**Operating Permits**") required by any federal, state or local authorities ("**Governmental Authorities**") having jurisdiction over Tenant or the Leased Property.
12. **Ownership and Maintenance of Energy System.** The Parties agree that legal title to any and all fixtures, equipment, improvements or personal property of whatsoever nature at any time constructed or placed on or affixed to the Leased Space by Tenant, including without limitation the Energy System, shall be and remain with Customer. Tenant shall leave the Energy System at the end of the Term in substantially the same condition as existed on the Final Project Completion date plus any improvements, ordinary wear and tear and casualty damage excepted.
13. **Energy System Operation and Maintenance.**
 - a. **Tenant will Maintain System.** Tenant will at its sole cost and expense operate the Energy System and monitor the system's performance and keep and maintain the Energy System in good condition and repair, utilizing the Maintenance List provided in **Exhibit B** herewith as a guideline, with strict adherence hereto not expected by the parties. In the case of casualty, Tenant agrees to repair the Energy System to the extent available insurance proceeds are received resulting from such casualty, along with any deductible due under said policies that Customer will pay Tenant in accordance with Section 17.a. Tenant shall repair any damage to the Property, with contractors approved by Customer (such approval not to be unreasonably withheld), that results from the Energy System's repair, reconfiguration, alteration, modification or replacement. Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer at its own expense, and may look only to such manufacturer, and not to Tenant, for any warranty with respect thereto. Tenant will assist Customer in resolving any warranties relating to System Components on a time and material basis.
 - b. **Operation and Maintenance Standard of Care.** Tenant will use commercially reasonable efforts to identify, respond to, and complete necessary maintenance and repairs and to operate the Energy System, to maximize the

Energy System's production. Notwithstanding the foregoing, the Parties understand that delays may be caused by multiple causes including without limitation delay in the identification of operational issues, troubleshooting issues, warranty replacement, warranty procurement, parts availability, parts delivery, crew availability, equipment defects, equipment performance, and similar causes.

14. **Repair of Leased Space During Term.** Customer shall have the right at any time to access the Leased Space to inspect, maintain, replace or repair items and components thereof, excluding the Energy System. Customer, at its own cost, and using Seller or another third party approved by Tenant (which approval will not be unreasonably withheld), shall temporarily remove such components of the Energy System as will interfere with Customer's inspection, maintenance or repair of the roof, and shall replace such components upon completion of their work. Customer shall provide thirty (30) days prior notice to Tenant of any such maintenance or repair work to be done, unless in an emergency, in which case Customer shall give such notice as soon as possible. Customer will reimburse Tenant for any lost Rebate revenue resulting from the Energy System being non-operational during Customer's repairs. Reimbursement under this Section is only due where the total cumulative downtime over the Term of the Lease exceeds 30 days
15. **Utilities/taxes.** Customer shall pay all taxes and assessments levied after Final Project Completion upon the Energy System and other personal property located and/or installed on the Property by Tenant, and Customer's real property.
16. **Interference.**
 - a. **Interference by Tenant.** Tenant shall operate the Energy System in a manner that will not unreasonably interfere with any existing operations or equipment located, operated or owned by Customer or any other permitted occupants as of the date of this Agreement ("**Existing Operations**"). All operations by Tenant shall be lawful and in material compliance with all regulations and requirements of the Minnesota Public Utilities Commission, as well as any other applicable state, federal or local regulations and requirements ("**Legal Requirements**") and any applicable agreements with, or tariffs of, the local utility.
 - b. **Interference by Customer.** Following installation of the Energy System, Customer shall not, and shall not cause or permit any other persons or parties to, install equipment or facilities or construct or allow any construction of a structure or structures ("**New Construction**") near the Leased Space if such New Construction will interfere with the Energy System. Customer shall not move, modify, remove, adjust, alter, change, replace, reconfigure or operate the Energy System, or any part of it, during the term of the Agreement, without prior written direction or approval of Tenant, except if there is an occurrence reasonably deemed by Customer to be a bona fide emergency, in which case Customer will immediately notify Tenant of such emergency and Customer's proposed actions. Customer shall be responsible for, and promptly notify Tenant, of any damage to the Energy System caused by the Customer or its employees, invitees or agents, and shall promptly pay Tenant the costs to repair such damage to the Energy System, along with any lost Rebate revenue.
17. **Insurance.**

a. **General Liability and Property Insurance.** Customer shall keep the Energy System insured against loss by fire, theft, hail and wind and such other hazard as Tenant shall reasonably require with an insurance company acceptable to Tenant (for purposes of this Lease, the League of Minnesota Insurance Trust is deemed acceptable) in its reasonable discretion and at all times an amount equal to the Installation Cost (as defined in the Purchase Agreement). The insurance policy(ies) shall name Tenant as an additional insured and be payable to Customer and Tenant as their interests may appear. Customer shall also secure and maintain adequate comprehensive general liability insurance against liability related to the Energy System. Customer shall provide Tenant with evidence of having acquired such insurance coverages prior to the date of Final Project Completion and on an annual basis thereafter. The loss, injury or destruction of the Energy System shall not release Customer from payment as provided in this Agreement. Any insurance policies obtained by Customer shall provide that such policy of insurance cannot be terminated or cancelled by the insurer without 30 days prior written notice to Tenant. Customer is responsible for any deductibles due under the insurance policies for losses, and will pay Tenant said deductible along with insurance proceeds to repair the Energy System.

b. **Workers' Compensation Insurance and Employers' Liability Insurance.** In accordance with Minnesota state law, Tenant shall maintain in force workers' compensation insurance for all of its employees. Tenant shall also maintain employer's liability coverage in an amount of not less than One Million Dollars (\$1,000,000.00) per accident. Tenant shall also secure and maintain adequate comprehensive general liability insurance against liability related to the Leased Premises. Upon request, Tenant will provide Customer with a Certificate of Insurance naming Customer as an additional insured.

18. **Indemnification**

a. Tenant shall indemnify and hold harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "**Damages**") incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any breach of this Agreement by Tenant, or (ii) the negligence, gross negligence or willful misconduct of Tenant or its employees or agents in connection with the transactions contemplated by this Agreement.

b. Tenant shall indemnify Customer from any mechanic's, materialman's, or other lien with respect to the Property or the Leased Property to the extent such lien is attributable to Tenant's failure to pay the Installation Cost.

c. Customer shall indemnify and hold harmless Tenant and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any Damages incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any breach of this Agreement by Customer, or (ii) the negligence, gross negligence or willful misconduct of Customer or its employees or agents in connection with the transactions contemplated by this Agreement.

d. A Party claiming indemnification will give the other Party prompt notice of the relevant claim and will reasonably cooperate with the indemnifying Party, at the indemnifying

Party's expense, in the defense of such claim. The indemnifying Party shall control the defense and settlement of such claim; provided however that the indemnifying Party shall not agree to any settlement that affects the indemnified Party without the prior written consent of the indemnified Party, which approval shall not be unreasonably withheld. The indemnified Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.

19. **Event of Default.** Each of the following shall constitute an event of default ("**Event of Default**"):

a. Tenant shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Tenant of the breach, and the breach as continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of the breach;

b. Tenant fails to comply with any of its obligations under the terms of the Lease, Customer has notified the Tenant of such failure, and the failure has continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of failure;

c. Tenant shall cease to do business, become insolvent, make an assignment for benefit of its creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors; or

d. Any involuntary petition shall be filed under any bankruptcy statute against Tenant or any receiver trustee, or similar official shall be appointed to take possession of the properties of Tenant unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment.

20. **Remedies.** If an Event of Default by Tenant shall occur, Customer may, at its option, exercise any one or more of the following remedies:

i. Recover any additional damages and expenses sustained by Customer by reason the Event of Default;

ii. Exercise any other remedies available under law or equity; or

iii. Any remedy available at law.

The remedies provided herein shall be cumulative and may be exercised singularly, concurrently or successively with and in addition to all other remedies in law or equity. If either Party fails to perform any of its obligations under this Agreement, the other Party may (but need not) at any time thereafter perform such obligation, and the expenses incurred in connection therewith shall be payable in full by the nonperforming Party upon demand. In addition, the nonperforming Party agrees to pay the other Party's reasonable attorney's fees and costs of collection in pursuing any remedies.

21. **General.**

a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate Agreements**") to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in

this Agreement shall prevent the Utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.

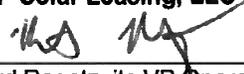
- b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- c. **Entire Agreement.** This Agreement and the Schedules hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
- d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, terrorism or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.
- k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party.

Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under this Agreement to a controlled affiliate of Tenant, assign its rights under the Power Purchase Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank.

- i. **Quiet Possession.** Customer agrees that upon compliance with the terms and conditions of this Agreement, Tenant shall peaceably and quietly have, hold and enjoy the Leased Space for the Term and any extensions thereof.
- m. **Trade Secret Data Provided to Governmental Entities.** Tenant may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Tenant qualifies as trade secret under the law. For Tenant data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Tenant designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Tenant ten (10) days' notice before releasing the data in order to permit the Tenant to exercise whatever legal remedies are available to the Seller to prevent such disclosure.

The Parties acknowledge they have read this Agreement, understand it and agree to be bound by its terms and conditions as of the date first set forth above.

Tenant:
Green² Solar Leasing, LLC

By: 
Richard Ragatz, its VP Operations

Dated: 1/29/18

Customer:
City of Elko New Market

SIGN HERE

By: _____
Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____

SCHEDULE A

Site Plan

Facility Plan View Drawing Indicating the Final Location of the Energy System on the Leased Space and the point of interconnection of the Energy System with the electrical system at the Property

[The above document is provided by Seller, and is included in the Owner's Manual that is provided to the Customer after Final Project Completion]

SCHEDULE B

Maintenance Items

- A. Weekly performance monitoring via online monitoring system to validate performance of panels and inverters, energy production; benchmark performance vs. similar systems for validation
- B. Identify any defective equipment via on-line monitoring system
- C. Semi-annual site audits of system performing the following tasks
 - i. Inspect panels, inverters, and racking for physical damage
 - ii. Clean any debris on or under the solar arrays
 - iii. Ensure labels are intact
 - iv. Check for loose hanging wires, repair as necessary
 - v. Check electrical connections; tighten/torque as necessary
 - vi. Check for corrosion of electrical enclosures, repair as necessary
 - vii. Ensure roof drainage is adequate, that roof drains are not clogged, and confirm there are no signs of pooling water in the vicinity of the solar array
- D. Management of System Component Warranty Claims

Power Purchase Agreement

40.000 kW DC Silfab SLG-M345 or equivalent,
 40.10 kW AC SolarEdge SE20K Inverters,
 SolarEdge P700 Power Optimizers &
 Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @
 approximately 10 degrees

Customer / Owner	City of Elko New Market
Installation Location	City Hall / Fire Station - 601 Main Street, Elko New Market, MN 55054
Xcel Premise #	302220666

Xcel Solar Rewards

This **POWER PURCHASE AGREEMENT** (this "Agreement"), dated January 29, 2018, is between **GREEN2 SOLAR LEASING, LLC** a Minnesota limited liability company, whose principal place of business is located at **5810 Nicollet Avenue, Minneapolis, MN 55419** ("Tenant"), and **CITY OF ELKO NEW MARKET**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** ("Customer"). Tenant and Customer are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**".

RECITALS

- A. Tenant leases, operates and maintains Customer's photovoltaic solar electric system (the "**Energy System**") (as located at the Installation Location (the "**Installation Location**") described above as defined in that certain **Purchase Agreement** (the "**Purchase Agreement**") between Customer and **Ideal Energies, LLC** of even date herewith) pursuant to a Facility Lease Agreement (the "**Lease**") between the Parties of even date herewith; and
- B. Tenant desires to sell renewable electric power inclusive of all rights to its available environmental attributes to Customer, and Customer desires to purchase from Tenant all such electricity which is produced by the Energy System; and
- C. Tenant or its affiliate has, or will, apply for the "**Rebate**" (as defined in the Purchase Agreement)) on behalf of Customer. After award of the Rebate and before Final Project Completion (as defined in the Purchase Agreement), Customer will enter into an agreement ("**Utility Agreement**") with the local utility ("**Utility**"), pursuant to which Customer will assign all renewable energy credits ("**RECs**") for electricity produced by the Energy System during the term of the Rebate to the Utility in exchange for the Rebate; and
- D. Customer is eligible to participate in the Utility's **Net Metering Program**. Under this program, the energy generated from the Energy System is available for use and reduces the total amount of energy that needs to be purchased from the Utility. Under this program, for months where the Energy System produces more kWh than the site consumes, the Utility will compensate Customer at the applicable rate; and
- E. Pursuant to the Lease, Tenant should be eligible to receive a Federal Tax Credit from the U.S. Treasury equal to **30%** of the Energy Systems Eligible Installation Cost ("**Tax Credit**") for Energy Systems put into service during **2017, 2018 or 2019**.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT.**

2. **Power Purchase.** Tenant shall deliver all power generated from the Energy System to Customer at the point of interconnection shown on Schedule A to the Lease. Customer will pay Tenant for all the power generated from the Energy System and delivered to the interconnection point by making the payments specified in **Schedule A** (the "Power Payments"). The Power Payments are due monthly beginning on the first day of the first month following the Final Project Completion date and continuing each month until expiration of the Term (as defined below) of this Agreement. Power payments do not include any sales tax. Sales tax will be added to the Power Payments based on Customer's applicable sales tax rate. Customer will either mail or wire payments to Tenant as provided below.

Mail
 Anchor Solar Investments, LLC
 c/o Green² Solar Leasing, LLC
 5810 Nicollet Avenue
 Minneapolis MN 55419

3. **Ownership of Renewable Energy Credits.** Customer owns all REC's. Customer will convey to the Utility pursuant to the Utility Agreement, all RECs generated by the Energy System for the term specified in the Utility Agreement. For purposes of this Agreement, RECs include all attributes of an environmental or other nature that are created or otherwise arise from the Energy System, including without limitation tags, certificates or similar projects or rights associated with solar energy as a "green" or "renewable" electric generation resource. RECs shall also include any other environmental attribute intended to be transferred to the Utility under the Utility Agreement.
4. **Term.** The term (the "**Term**") of this Agreement shall begin on the date that Final Project Completion occurs, and shall expire on the date that is twenty (20) years after Final Project Completion occurs.
5. **Late Charge/Costs of Collection.** In the event Customer fails to make any Power Payment when due, Customer agrees that the greater of \$50, or interest due based on an interest rate not to exceed the lesser of one and one-half percent (1-1/2%) per month or the highest rate permitted by law for commercial transactions, may be charged as a late charge on a monthly basis on the amount of any Power Payment remaining unpaid more than 10 days after it is due from the due date until paid in full. In addition, Customer agrees to pay Tenant's attorney's fees and costs of collection, including expert witness fees, whether a lawsuit is commenced or not commenced, and Customer's liability for attorneys' fees and costs of collection, including expert witness fees, extends to any appeals.
6. **Grant of Security Interest.** In order to secure the payment and performance of all of Customer's liabilities, obligations and covenants under this Agreement or the Lease, Customer hereby grants to Tenant a security interest in all Rebates and the Energy System, together with all attachments, accessories or replacement parts and labor placed upon the Energy System, and proceeds thereof. Upon the request of Tenant, Customer shall promptly obtain a subordination agreement in favor of Tenant from any third party lienholder who may have a

lien in the Energy System. Customer irrevocably assigns the right to receive Rebates to Tenant and Tenant may exercise this right upon default of Customer. Tenant's security interest and other rights under this Section 8 shall be extinguished upon the later of termination of this Agreement and the Lease and performance of all of Customer's obligations hereunder and thereunder, and Tenant shall execute and file any evidence of such extinguishment reasonably requested by Customer.

7. **Insurance.** Customer shall keep the Energy System insured against loss by fire, theft, hail and wind and such other hazards as required by the Lease.

8. **Events of Default.** Each of the following shall constitute an event of default ("Event of Default"):

a. Customer shall fail to make any undisputed payment to Tenant when due hereunder, Tenant has notified the Customer of such failure, and the failure has continued without cure by Customer or written waiver by Tenant for a period of thirty (30) days after the notice of failure;

b. Customer shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Tenant has notified Customer of the breach, and the breach has continued without cure by Customer or written waiver by Tenant for a period of thirty (30) days after the notice of breach;

c. Customer shall cease to do business, become insolvent, make an assignment for the benefit of creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors;

d. Any involuntary petition shall be filed under any bankruptcy statute against Customer or any receiver, trustee, or similar official shall be appointed to take possession of the properties of Customer unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment; or

e. The Customer fails to comply with any of its obligations under any of Customer's agreements with the Utility.

f. Tenant shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Tenant of the Breach, and the breach as continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of the breach.

g. Tenant fails to comply with any of its obligations under the terms of the Lease, Customer has notified the Tenant of such failure, and the failure has continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of failure.

h. Tenant shall cease to do business, become insolvent, make an assignment for benefit of its creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors;

i. Any involuntary petition shall be filed under any bankruptcy statute against Tenant or any receiver, trustee, or similar official shall be appointed to take possession of the properties of Tenant unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment

9. **Remedies.**

a. If an Event of Default by Customer shall occur, Tenant may, at its option, exercise any one or more of the following remedies:

i. Declare all amounts due or to become due under this Agreement immediately due and payable;

ii. Recover any additional damages and expenses sustained by Tenant by reason the Event of Default;

iii. Enforce the security interest granted hereunder, in which event Customer agrees to make the Energy System available to Tenant at a place or places acceptable to Tenant and Tenant shall have the right to take possession of the Energy System without legal process for which purpose Tenant may enter any premises where the Energy System may be found without legal process and without breaching the peace, provided that in such case the fair market value of the Energy System shall offset any amounts due under this Agreement;

iv. Retain all payments made by Customer as liquidated damages for the non-performance of this Agreement, for use of the Energy System and for depreciation thereof; and

v. Exercise any other remedies available under law, including those under Article 9 of the UCC.

b. In the event the Energy System is sold, foreclosed on, or repossessed in the manner provided herein or by law and the fair market value of the Energy System is not sufficient to pay the amount due under this Agreement, Customer agrees to pay immediately to Tenant such deficiency. In the event the Energy System is sold, foreclosed on, or repossessed in the manner provided herein or by law and the fair market value of the Energy System exceeds the amount that Customer is required to pay Tenant under this Agreement, Tenant agrees to pay immediately to Customer such excess.

c. If an Event of Default by Tenant shall occur, Customer may, at its option, exercise any one or more of the following remedies:

i. Recover any additional damages and expenses sustained by Customer by reason the Event of Default;

ii. Exercise any other remedies available under law or equity; or

iii. Any remedy available at law;

The remedies provided herein shall be cumulative and may be exercised singularly, concurrently or successively with and in addition to all other remedies in law or equity. If either Party fails to perform any of its obligations under this Agreement, the other Party may (but need not) at any time thereafter perform such obligation, and the expenses incurred in connection therewith shall be payable in full by the nonperforming Party upon demand. In addition, the nonperforming Party agrees to pay the other Party's reasonable attorney's fees and costs of collection in pursuing any remedies.

10. **Annual Energy Production Not Guaranteed.** THE PARTIES UNDERSTAND AND AGREE THE ANNUAL ENERGY PRODUCTION FROM THE ENERGY SYSTEM MAY VARY FROM ANNUAL PROJECTIONS FOR REASONS BEYOND THE PARTIES CONTROL INCLUDING WITHOUT LIMITATION SEASON WEATHER VARIATIONS, ROUTINE AND NON-ROUTINE MAINTENANCE CAUSING DOWNTIME, EQUIPMENT PERFORMANCE, PROCESSING ANY EQUIPMENT WARRANTIES FOR MALFUNCTIONING EQUIPMENT, FORCED MAJEURE, ETC. THE

PARTIES UNDERSTAND THAT THE REBATES AND UTILITY BILL CREDITS ARE PAID PROPORTIONALLY WITH ENERGY SYSTEM ENERGY PRODUCTION, AND THAT THE ACTUAL AMOUNTS RECEIVED BY CUSTOMER WILL VARY ACCORDINGLY. TENANT DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, THAT PRODUCTION WILL MATCH PROJECTIONS, AND CUSTOMER AND TENANT ASSUME, AT THEIR SOLE RISK, THE VARIABILITY OF ANNUAL ENERGY PRODUCTION AND VARIATIONS FROM ANY FINANCIAL PROJECTIONS RELATING TO UTILITY BILL CREDITS AND REBATES.

11. **Customer's Maximum Payment Obligation.** Customer's maximum payment obligation to Tenant under this Agreement is the sum of all the Power Purchase Payments listed in Schedule A.
12. **Power Production Adjustment.** In any 12 month period beginning with the Final Project Completion Date that the solar array does not produce at least 900 kWh per KW DC, Tenant will reimburse Customer within 60 days after the then applicable twelve month period as follows: Total payments made over the then applicable 12 month period * (1 - (actual kWh/kWDC / 900 kWh/kWDC)). For Example, a 40 kWDC Solar array produces 800 kWh/kWDC and power payments equaling \$3000 are paid during the then applicable 12 month period. A \$333.33 cash reimbursement will be paid to the Customer that is calculated as follows: $\$3000 * (1 - 800/900) = \333.33 .
13. **Miscellaneous.**
 - a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate Agreements**") to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the Utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.
 - b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
 - c. **Entire Agreement.** This Agreement and the Schedules hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
 - d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
 - e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this

Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any affect.

- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.
- k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party. Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under the Lease Agreement to a controlled affiliate of Tenant, assign its rights under this Power Purchase Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank
- l. **Time is of the Essence.** Time is of the essence with respect to all of the terms of this Agreement.
- m. **Prompt Payment to Subcontractors.** Pursuant to Minnesota Statute 471.425, Subdivision 4a, the Tenant must pay any subcontractor within ten (10) days of the Seller's receipt of payment from the Customer for undisputed services provided by the subcontractor. The Tenant must pay interest of one and one-half percent (1½ %) per month or any part of a month to subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is

**SCHEDULE A
Power Purchase Payment Schedule**

40.000 kW DC Silfab SLG-M345 or equivalent, 40.10 kW AC SolarEdge SE20K Inverters, SolarEdge P700 Power Optimizers & Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @ approximately 10 degrees

Green ² Solar Leasing, LLC Utility Bill Expense				
YEAR	Lease Runs Full Term		Put Or Call Is Exercised	
	(Power Purchase Expense)		(Power Purchase Expense)	
	(\$/Year)	(\$/Month)	(\$/Year)	(\$/Month)
1	\$ 3922.46	\$ 326.87	\$ 3922.46	\$ 326.87
2	\$ 3976.00	\$ 331.33	\$ 3976.00	\$ 331.33
3	\$ 4134.15	\$ 344.51	\$ 4134.15	\$ 344.51
4	\$ 4298.59	\$ 358.21	\$ 4298.59	\$ 358.21
5	\$ 4469.56	\$ 372.46	\$ 4469.56	\$ 372.46
6	\$ 4647.34	\$ 387.27	\$ 4647.34	\$ 387.27
7	\$ 4832.19	\$ 402.68	\$ 4832.19	\$ 402.68
8	\$ 5024.39	\$ 418.69	\$ 5024.39	\$ 418.69
9	\$ 5224.23	\$ 435.35	\$ 5224.23	\$ 435.35
10	\$ 5432.03	\$ 452.66	\$ 5432.03	\$ 452.66
11	\$ 5648.09	\$ 470.67	\$ 5648.09	\$ 470.67
12	\$ 5872.74	\$ 489.39	\$ 5872.74	\$ 489.39
13	\$ 2400.00	\$ 200.00	\$	\$
14	\$ 2400.00	\$ 200.00	\$	\$
15	\$ 2400.00	\$ 200.00	\$	\$
16	\$ 2400.00	\$ 200.00	\$	\$
17	\$ 2400.00	\$ 200.00	\$	\$
18	\$ 2400.00	\$ 200.00	\$	\$
19	\$ 2400.00	\$ 200.00	\$	\$
20	\$ 2400.00	\$ 200.00	\$	\$
Total	\$ 76681.82		\$ 57481.82	

Put and Call Agreement

40.000 kW DC Silfab SLG-M345 or equivalent,
40.10 kW AC SolarEdge SE20K,
SolarEdge P700 Power Optimizers &
Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @
approximately 10 degrees

Xcel Solar Rewards

This **PUT AND CALL AGREEMENT** (this "Agreement"), dated January 29, 2018, is between **Green² Solar Leasing, LLC**, a Minnesota limited liability company, whose principal place of business is located at **5810 Nicollet Avenue, Minneapolis, MN 55419** ("Tenant"), and **City of Elko New Market**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** ("Customer"). Tenant and Customer are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**".

RECITALS

- A. Customer is the purchaser of a photovoltaic solar electric system (the "**Energy System**") located at the Installation Location described above (the "**Installation Location**") (and as defined in the Purchase Agreement between Customer and **Ideal Energies, LLC** ("**Seller**") of even date herewith (the "**Purchase Agreement**")); and
- B. Tenant is the lessee of the Energy System and associated rights under the **Facility Lease Agreement** with Customer (the "**Lease**") of even date herewith, and Tenant sells the Energy System generated from the Energy System pursuant to a Power Purchase Agreement with Customer (the "**Power Purchase Agreement**") of even date herewith (Tenant's interests in the Lease and **Power Purchase Agreement** is referred to herein as the "**Interest**"); and
- C. The Parties hereto now desire to enter into this Agreement to set forth the terms and conditions upon which Tenant has an option to put its Interest to the Customer and upon which Customer has an option to call Tenant's Interest from Tenant.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT AND NEITHER PARTY HAS TERMINATED THE LEASE OR POWER PURCHASE AGREEMENT.**
2. **Put of Tenant's Interest.** Commencing on the **12 year anniversary of the Final Project Completion Date**, and for a period of **six (6) months thereafter** (the "**Put Period**"), Tenant shall have the right and option to require Customer to purchase all, but not less than all, of Tenant's Interest (the "**Put**"). Tenant may exercise the Put by delivering notice of exercise of such option in writing to Customer during the Put Period. If exercised, Tenant shall be obligated to sell, and Customer shall be obligated to purchase, all of the Interests owned by Tenant. The purchase price for the Interest shall be **\$1.00** (the "**Put**

Customer / Owner	City of Elko New Market
Installation Location	City Hall / Fire Station - 601 Main Street, Elko New Market, MN 55054
Xcel Premise #	302220666

Price"). The date of the Put closing will be thirty (30) days following the notice of exercise of the Put, or such earlier date as the Parties may agree in writing (the "**Put Closing Date**"). The Put Price shall be paid by Customer to Tenant in cash on the Put Closing Date. Each Party shall remain liable for any obligations arising under the Lease prior to the Put Closing Date.

3. **Call of Tenant's Interest.** For a period of **one (1) year beginning the day following the last day of the Put Period** (the "**Call Period**"), Customer shall have the right and option to purchase all, but not less than all, of Tenant's Interest (the "**Call**"). Customer may exercise the Call by delivering notice of exercise of such option to Tenant during the Call Period. If exercised, Customer shall be obligated to purchase, and Tenant shall be obligated to sell, all of the Interest owned by Tenant. The purchase price for the Interest pursuant to the Call shall be an amount equal to the fair market value (the "**Fair Market Value Price**") of such Interest and the Energy System as agreed by the Parties and if no agreement is possible, then by an independent qualified appraiser selected by the Customer and the cost of which is paid for by the Tenant (the "**Call Price**"). The Parties agree that a reasonable method of establishing the Fair Market Value Price is to use a discounted cash flow value. As of the date hereof, the Parties believe that a discount rate of 15% is reasonable. The date of the Call closing shall be thirty (30) days following delivery of the notice of exercise of the Call, or such earlier date as the Parties may agree in writing (the "**Call Closing Date**"). The Call Price shall be paid by Customer to Tenant in cash on the Call Closing Date. Each Party shall remain liable for any obligations arising under the Lease prior to the Call Closing Date.
4. **Obligations following exercise of Put or Call.**
 - a. **Tenant.** After the transfer and assignment of the Interest pursuant to the Put or Call, Tenant shall have no further obligations in connection with the Interest.
 - b. **Customer.** After the transfer and assignment of the Interest pursuant to the Put or Call, Customer shall make, if not already paid, the Power Payments described in Schedule A of the Power Purchase Agreement between the Parties of even date herewith beginning with the month after Project Completion through and including the month of the Put or Call Closing date. Customer is not obligated to pay Tenant any Power Purchase Payments after the Put or Call Closing date through the end of the Term specified in the Power Purchase Agreement.
5. **Miscellaneous.**
 - a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate Agreements**") to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The utility, or its successors and assigns, is a third-party

beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.

- b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- c. **Entire Agreement.** This Agreement and the Schedules hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
- d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, terrorism or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party.

Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.

- k. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under the Lease Agreement to a controlled affiliate of Tenant, assign its rights under the Power Purchase Agreement a controlled affiliate of Tenant, assign its rights under this Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank
- l. **Time is of the Essence.** Time is of the essence with respect to all of the terms of this Agreement.
- m. **Trade Secret Data Provided to Governmental Entities.** Tenant may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Tenant qualifies as trade secret under the law. For Tenant data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Tenant designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Tenant ten (10) days' notice before releasing the data in order to permit the Tenant to exercise whatever legal remedies are available to the Tenant to prevent such disclosure.

The Parties acknowledge they have read this Agreement, understand it and agree to be bound by its terms and conditions as of the date first set forth above.

Tenant:
Green² Solar Leasing, LLC

By: Richard Ragatz
Richard Ragatz, its VP Operations

Dated: 1/29/18

Customer:
City of Elko New Market



By: _____
Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____



STAFF MEMORANDUM

SUBJECT:	2017 and 2018-2020 Fire and Rescue Service Contract
MEETING DATE:	February 8, 2018
PREPARED BY:	Thomas Terry, City Administrator
REQUESTED ACTION:	Approval of the 2018-2020 Fire and Rescue Service Contract

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND

The Fire Department - The Elko New Market Fire Department ("Department") is a municipal fire department established in 1980. The Department serves a fire service area ("Fire District") consisting of the City of Elko New Market, New Market Township and the eastern third of Cedar Lake Township. The Department is currently authorized for up to 30 firefighters and has historically maintained a staff of 25-27 firefighters. The Fire Department is managed by a Fire Chief and other Officers (Asst. Chief, Captains and Lieutenants) under the oversight of the City Administrator.

Funding of the Fire Department - The Fire Department is supported by general tax levy in Elko New Market and annual charges for service to New Market and Cedar Lake Townships. Currently, New Market and Cedar Lake Townships enter into annual contracts for fire and rescue services which define the scope of services and other related terms, such as the lease of equipment (e.g. New Market Township owned 2003 Rescue Truck and 2001 Tanker Truck). While the contracts are structured as an agreed upon price for the provision of services, it has been the common understanding and intent that the cost of operating the Fire Department (including operating, capital outlay and debt expense) is allocated between the City and the Townships based on the assessed market value of improvements to property within the jurisdictions, or portions thereof within the Fire District. The valuations were provided by the Scott County Auditor's Office on an annual basis. The Auditor's Office provided the most recent final valuations for purpose of calculating the cost allocation. For example, the 2014 valuations were used in 2015 for developing the 2016 budget. As a result, there was some inherent lag between changes in the valuations within the Fire District and the impact on the cost allocation.

The Fire District Workgroup - The Fire District Workgroup was established in 2007 as an advisory body to the Elko New Market City Council to provide recommendations on policy items related to the Elko New Market Fire Department, including budget, level of service and service contracts. Likewise, the Workgroup serves the townships in a similar capacity, providing recommendations and acting as the primary communication channel on fire service related topics. The Workgroup is comprised of a Council representative and a Board representative from each of the Townships served by the Elko New Market Fire Department. The City Administrator and Fire Chief serve as staff liaisons to the Workgroup.

Background on Township Credits - In 2015, the Fire Department Workgroup requested a Fire Department Budget and Cost Allocation Summary 2007-2015 to be used as an informational and educational document for the Fire District's elected and appointed officials, as well as the general public. While preparing the background information for the memorandum, City staff identified a discrepancy in the property valuation information provided by Scott County that had not been previously identified. Upon further investigation, it was found that the valuation information for the budget/contract years of 2007-2015 was based on total property value – including land value. This was inconsistent with the common understanding, intent and historical practice that the cost of operating the Fire Department was to be allocated between the City and the Townships based on the assessed market value of improvements to property – **not** including the value of land. Due to passage of time and turn over in personnel, the specific reason or cause for the change in the valuation information provided by Scott County could not be determined. The Fire District Workgroup determined that the change in the valuation information provided by Scott County from assessed value of improvements to property to total assessed property value (including both land and improvements) did not

appear to be the result of any recommendation of the Fire District Workgroup or action by the City. Furthermore, the change was not identified by either the City or the Townships at the time the change in the basis for valuation occurred (at that time, New Market Township received copies of the valuation information provided by Scott County).

Upon obtaining the correct Fire District valuations for 2007-2015 budget/contract years, the adjusted valuations were applied to those years and the net differences were found in between actual cost allocation vs. adjusted cost allocation. Upon review of the issue, the Fire District Workgroup recommended that beginning in the 2016 Budget/Contract cycle, the Townships receive credit on the annual Service Contract based on the adjusted cost allocation for the budget/contract years 2007-2015. The credit would be provided over ten years in equal amounts. New Market Township would receive an annual credit of \$8,310 and Cedar Lake Township would receive an annual credit of \$5,048 during those ten years. The Council acted on the Fire District Workgroup recommendation related to Fire Department cost allocation, using that as the assumption for the 2016 and 2017 Budgets and 2016 service contract. A service contract has not yet been adopted for 2017.

Background on the “New” Cost Allocation Formula – In 2015, the Council directed the City Administrator to present the concept of an alternative cost allocation approach based on a formula using various weighted factors to the Fire District Workgroup. The Fire District Workgroup was asked to review the concept and provide suggestions/recommendations for consideration.

In its initial review of an alternative cost allocation formula, the Workgroup reached consensus support for the concept of a multi-factor cost allocation formula and a multi-year contract once a revised cost allocation formula was been established. The Workgroup then reviewed the nature of the expenses within the Fire Department budget and evaluated potential factors to be used in the cost allocation formula.

The Workgroup reviewed Fire Department expenses for the purpose of identifying costs and relationship to cost drivers. It was found that the majority of expenses are “base” costs. Major expense items such as Capital Outlay, debt service for equipment replacement, training, facilities, etc. would be required, regardless of call volume. For example, the Department would still need fire trucks, a fire station and to train its firefighters whether the department responded to 50 calls or 500 calls. Expenses directly related to call response (e.g. call pay, fuel, supplies, etc.) were a minority of the budget.

The Workgroup then discussed several potential factors to be used in the formula. Considerations included relevancy, current and future availability of data in consistent format, as well as the ability to duplicate methodology in the future.

Eventually, the Workgroup narrowed potential factors to four for further discussion. These included:

- Valuation
- Calls for Service
- Population
- Structures

In considering the factors, the Workgroup identified two approaches to allocating costs that could be used exclusively or mutually in an allocation formula – valuation and direct/indirect cost drivers.

Valuation Approach – This approach was essentially the methodology that has been historically used to allocate Fire Department costs. This “ability to pay” approach is the basic method used by local government to allocate the costs of services it provides – e.g. property tax levy based on valuation of property (land and improvements thereto). As previously discussed, Fire Department costs are currently allocated between the City and the Townships based on the assessed market value of improvements to property within the jurisdictions, or portions thereof within the Fire District. However, this approach did not appear to have a direct relationship to the demand for services.

Cost Drivers – This approach to the allocation of costs is based on identifying direct and indirect cost drivers. Direct cost drivers are those that have a clear and direct relation to expenses. For example, calls for service result in expenses for call pay, fuel, supplies, etc. Indirect cost drivers are those that are related to the potential for generating calls for service, such as population or number of structures. It should be noted that while indirect cost drivers appear to have a logical relationship with call generation, they do not appear to necessarily have a direct relationship with actual calls for service based on the call history.

Following extensive discussion on the topic, the Workgroup reached consensus on a cost allocation formula comprised of the following factors (direct/indirect cost drivers) - calls for service, population and number of structures. However, the Workgroup could not reach consensus on the weighting of the factors within the formula, resulting in majority and minority opinions. The majority recommendation was supported by the New Market and Cedar Lake Township representatives. It provided for a weighting of 25% on Calls for Service, 55% on Population, and 20% on Number of Structures. The majority option placed a greater weighting on population than the minority option. The minority recommendation which was supported by the City of Elko New Market representative provided for a weighting of 25% on Calls for Service, 50% on Population, and 25% on Number of Structures. Upon review of the majority and minority recommendations from the Fire District Workgroup, the City Council supported the majority recommendation.

The “New” Formula - The intent is that the data used for the formula would be reviewed by the Fire District Workgroup annually as part of the budgeting process. The sources of data are described as follows:

- Calls for Service - calls for service will be based on the 5 years preceding the year the Budget is prepared (e.g. 2012-2016 data, budget prepared in 2017 for the 2018 budget year) based on the information from the City.
- Population - population will be based on the year preceding the year the Budget is prepared (e.g. 2016 data, budget prepared in 2017 for the 2018 budget year) based on the information from the U.S. Census Bureau.
- Number of Structures - number of structures will be based on the year preceding the year the Budget is prepared (e.g. 2016 data, budget prepared in 2017 for the 2018 budget year) based on the information provided by the Scott County Assessor’s office.

Discussion

The Cedar Lake Township Board, along with the Elko New Market City Council is being asked to approve the 2018-2020 Fire and Rescue Service Contract. The 2017 Contract approved by the City and the Board in December was based on the “Old” valuation based allocation, while the 2018-2020 Contract is based on the “New” cost allocation formula. While implementation of the “New” formula was discussed for 2017, it was recommended to start in 2018. This is in large part due to availability of data.

The cost allocation for 2017 is provided below:

2017	
Operating Budget	472,479
Less Other Revenues	70,000
Total	402,479

Jurisdiction	Pay 2015 Market Value	Credit	Payment	% of MV	% of Budget
City of Elko New Market	270,335,800	-	181,140.56	41.69%	45.01%
New Market Township	305,688,200	8,310	181,413.86	47.14%	45.07%
Cedar Lake Township	72,461,400	5,048	39,924.81	11.17%	9.92%
Total	648,485,400	13,358	402,479	100.00%	100.00%
		Department Budget	402,479		

The cost allocation for 2018, the first year of the 2018-2020 Contract, is provided below (supporting information attached):

Allocation Based on Weighted Factors		
(((% Population x 55%) + (% Structures x 20%) + (% Calls x 25%)) x Budget) - Credit = Allocation		
	Allocation	%
Elko New Market	\$ 184,156	46.27%
New Market Twp	\$ 179,132	45.01%
Cedar Lake Twp	\$ 34,700	8.72%
Total*	\$ 397,988	100.00%

The Contract for service for 2018-2020 has been prepared for Board and Council consideration. The contracts have been reviewed by both the Township and City Attorneys.

AGREEMENT FOR FIRE AND RESCUE SERVICES

THIS AGREEMENT, entered into by and between the **CITY OF ELKO NEW MARKET**, a Minnesota municipal corporation located in Scott County, Minnesota (hereinafter referred to as “City”), and the **NEW MARKET TOWNSHIP**, an organized township located in Scott County, Minnesota (hereinafter referred to as the “Town”).

RECITALS

WHEREAS, the Town is authorized by law to provide fire protection for all of the property in New Market Township; and

WHEREAS, the City owns fire apparatus and equipment and employs fire fighters trained for the purpose of providing fire protection, rescue and emergency medical services, excluding ambulance transport; and

WHEREAS, the City currently provides such fire services for the City, Town and Cedar Lake Township (“Fire District”);

WHEREAS, the Town deems it advisable to contract with the City for fire services for the benefit of its residents.

NOW, THEREFORE, the Town and the City, in consideration of the following provisions and covenants, do hereby agree as follows:

1. SERVICES PROVIDED. The City agrees to provide to the Town fire protection for structural, wild/vacant/unimproved land, vehicle, including miscellaneous fire suppression, rescue, emergency medical services and basic life support, excluding ambulance support (“Fire Service”).

2. TERM OF AGREEMENT. This Agreement shall be effective January 1, 2018, and shall remain in effect until midnight on December 31, 2020.

3. COMPENSATION.

A. Formula. The Town agrees to pay its share of the cost for Fire Service on a pro-rata basis for each year of the Contract, based on the combination of the Town’s percentage of the following factors to the total of the Fire District: population, number of structures within the Town and calls for services. Each of the factors will be weighted as follows:

- | | | |
|-----|--------------------|-----|
| (1) | Population: | 55% |
| (2) | Structures: | 20% |
| (3) | Calls for Service: | 25% |

For each year of the Contract, the foregoing factors will be determined as of August of the previous year (“Budget Year”) as follows:

- (1) Population – population will be based on the year preceding the year the Budget is prepared (e.g. 2016 data, budget prepared in 2017 for the 2018 budget year) based on the information provided by the U.S. Census Bureau;
- (2) Number of Structures – total number of structures will be based on the year preceding the year the Budget is prepared (e.g. 2016 data, budget prepared in 2017 for the 2018 budget year) based on information provided by the Scott County Assessor’s office;
- (3) Total Calls for Service: total calls for service will exclude Mutual Aid calls and will be based on the average of the 5 years preceding the year the Budget is prepared (e.g. 2012-2016 data, budget prepared in 2017 for the 2018 budget year) based on the information provided by the City.

B. Credit. As reimbursement for prior overpayment in the amount of \$83,094.00 to the City for Fire Service during the years 2007-2015, the Town will receive a credit against its share of the cost of Fire Service in the amount of \$8,310.00 per year for a period of ten (10) years beginning in 2016 until the amount is repaid. The Town received a credit in 2016 and 2017.

C. Calculation. The cost allocation for the Town for Fire Service in 2018 is follows:

$$\begin{array}{rcccccc}
 ((41.84\% \times 55\%) + (54.47\% \times 20\%) + 52.77\% \times 25\%) & \times & \$397,989 & - & \$8,310.00 & = & \$179,132 \\
 \text{Percentage of} & & \text{Percentage of} & & \text{Percentage of} & & \text{Total Budget} & & \text{Credit} & & \text{Town's Cost} \\
 \text{Population} & & \text{No. of Structures} & & \text{Calls for Service} & & & & & &
 \end{array}$$

D. Payment. The Town agrees to pay the City for Fire Service based on the formula provided under Paragraph 3 for each year of the Contract in two (2) equal payments on April 1 and July 1 of each year.

4. **VEHICLES.** The Township and City have executed an agreement for the long term lease by the City of the following vehicles:

<u>Vehicle Description</u>	<u>Vehicle Identification Number</u>
2001 Sterling	2FZHAZAS51AK00255
2003 Sterling	2FZACHAK33AK91986

5. THE CITY AGREES:

A. To respond to all alarms for fire, rescue and medical emergencies (excluding ambulance transport) itself or through its agents, with the minimum appropriate personnel and apparatus as determined by the decision of the City's Fire Chief or other ranking officer or official in charge of the Fire Department at the time, with due regard for the reasonable safety of fire fighters and their equipment, and the resources available.

B. To maintain mutual aid agreements in effect on the date this Contract is signed.

C. Upon Town's request, provide Town access to financial and cost data related to the fire department for five years prior to the current service year.

D. Disclose to Town any proposed action City or the fire department intends to take that can reasonably be expected to affect the Insurance Services Office Fire Protection Grade in the Service Territory or City's ability to provide the fire services indicated above.

E. Promptly disclose to Town any information City can reasonably anticipate will directly affect its ability to perform its obligations under this contract.

6. ACKNOWLEDGMENT. The parties understand and acknowledge that the City's responsibilities are subject to the following:

A. It is understood and agreed that at times weather and road conditions will interfere with the rendering of Fire Service, and that at any given time the equipment may be engaged for services in the City, another township or city. In any of these events, failure to provide Fire Service herein agreed upon shall not be taken to be a breach of this Contract.

B. The operation, management and control of the people and equipment provided by the City shall at all times be under the charge and direction of the City's Fire Chief or the Chief's duly authorized agent.

C. The Town making its Tanker Truck and Rescue Rig available for use by City's Fire Department under the terms of the lease.

7. INSURANCE. The City of Elko New Market shall maintain its current insurance limits for its liability and workers' compensation in force for all personnel and vehicles owned and/or operated by the City of Elko New Market, during the term of this Agreement, which amounts are identified in the attached Exhibit A.

8. INDEMNIFICATION. City agrees to defend and indemnify Town against any claims brought or actions filed against Town or any officer, employee, or volunteer of Town for injury to, death of, or damage to the property of any third person or persons, arising from City's performance under this contract for services. Under no circumstances, however, shall City be required to pay on behalf of itself and Town, any amounts in excess of the limits on liability established in Minnesota Statutes, Chapter 466 applicable to any one party. The limits of liability

for Town and City may not be added together to determine the maximum amount of liability for City. The intent of this subdivision is to impose on City a limited duty to defend and indemnify Town for claims arising out of the performance of this contract subject to the limits of liability under Minnesota Statutes, Chapter 466. The purpose of creating this duty to defend and indemnify is to simplify the defense of claims by eliminating conflicts between the parties and to permit liability claims against both parties from a single occurrence to be defended by a single attorney.

9. LIABILITY CLAIMS. The Parties agree that the City shall not be liable to the Township for loss or damage of any kind whatever, resulting from any failure to prevent, control or extinguish any fire, whether such loss or damage is caused by the negligence of the City's firefighters, officers, agents, or employees, or otherwise. Third parties shall have no recourse against either the City or the Township under this Agreement.

10. NO CLAIM AGAINST TOWNSHIP. The Parties agree that the City shall make no claim against the Township for damage to the City's property while providing fire protection services to the Township.

11. PERSONNEL MATTERS. It is understood and agreed Town shall have no responsibility whatsoever toward the fighters or other emergency personnel including any employment related issues such as training, supervision, performance reviews, discipline, compensation, benefits, insurance coverages, compliance with any employment related federal, state, and local laws and rules such as OSHA, ERISA, RLSA, FMLA, or any other employment related issues. It is further agreed Town has no responsibility, beyond paying the agreed upon Payment Amount, for acquiring, operating, maintaining, housing, or replacing equipment as needed to provide the fire services described herein.

12. MODIFICATION. This writing contains the entire agreement between the parties and no alterations, variations, modifications, or waivers of the provisions of this agreement are valid unless reduced to writing, signed by both City and Town, and attached hereto.

13. SUBCONTRACTING & ASSIGNMENT. City shall not subcontract or assign any portion of this contract to another without prior written permission from Town. Services provided to Town pursuant to a mutual aid agreement City has, or may enter into, with another entity does not constitute a subcontract or assignment requiring prior approval of Town so long as City remains primarily responsible for providing fire services to the Town.

14. MINNESOTA LAW GOVERNS. This contract shall be governed by and construed in accordance with the internal laws of the State of Minnesota. All proceedings related to this contract shall be venued in the State of Minnesota.

15. SEVERABILITY. The provisions of this contract shall be deemed severable. If any part of this contract is rendered void, invalid, or otherwise unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this contract.

16. DONATIONS AND INCOME. All cash and/or equipment donations to the Fire Department, all tuition rebates and subsidies received for fire or EMS training and all monies received by the City for services rendered by the Fire Department shall be a contribution to the Fire Department operating budget and may not be used by the City or Township to reduce its required contribution under the formula set forth in Section 3 towards the annual operation of the Fire Department.

17. EMERGENCY SERVICE CHARGE. It is understood and agreed by the Parties that each party may, but are not required to, charge those persons and properties receiving emergency services, including fire services, within their respective jurisdictions. The Parties shall be responsible for invoicing those persons and properties receiving emergency services for properties within the Party's respective boundaries. The City shall not be responsible for invoicing Township residents. However, if requested by the Township, the City shall make a good faith effort to promptly provide information for each emergency service call to the Township so that it may exercise its rights pursuant to Minn. Stat. §§ 366.011 and 366.012.

18. AMENDMENT. This Agreement may be amended at any time by the mutual agreement of the parties. Any such amendment shall be in writing and will be attached to this Agreement.

THIS AGREEMENT is entered into by the undersigned parties on this ____ day of _____, 2018.

CITY OF ELKO NEW MARKET

NEW MARKET TOWNSHIP

By: _____
Robert Crawford, Mayor

By: _____
Its: Chairperson

And: _____
Sandra Green, Clerk

Attest: _____
Its: Clerk

EXHIBIT “A”

The City shall maintain general liability insurance for its services and shall include the Town as an additional insured for the term of this contract and any extensions thereof. The City shall maintain insurance equal to or greater than the maximum liability applicable to municipalities as set forth in Minnesota Statutes, Section 466.04, subd. 1, as amended. The City shall also maintain inland marine, automobile, and property insurance coverages. The City shall also maintain workers' compensation coverage as required by law.

Data Summary

2018 Fire Department Budget	467,989
Less Other Revenues	70,000
2018 Cost Allocation	\$ 397,989

2018 Credits	
Elko New Market	(13,357)
New Market Township	8,310
Cedar Lake Township	5,048

Five Year Call Total (2012-2016)

Jurisdiction	Calls	% Calls
Elko New Market	519	40.45%
New Market Twp	677	52.77%
Cedar Lake Twp	87	6.78%
Total	1283	100.00%

Population (US Census Data 2016)

Jurisdiction	Population	% Pop
Elko New Market	4355	48.09%
New Market Twp	3789	41.84%
Cedar Lake Twp	912	10.07%
Total	9056	100.00%

Number of Structures (2016)

Jurisdiction	Structures	% Structures
Elko New Market	1,763	31.77%
New Market Twp	3,023	54.47%
Cedar Lake Twp	764	13.77%
Total	5,550	100.00%

Weighting of Factors

Factor	Factor Weight
Calls	25%
Population	55%
Structures	20%
Total*	100%

Allocation Based on Weighted Factors

$((\% \text{ Population} \times 55\%) + (\% \text{ Structures} \times 20\%) + (\% \text{ Calls} \times 25\%)) \times \text{Budget} - \text{Credit} = \text{Allocation}$

Jurisdiction	Allocation	%
Elko New Market	\$ 184,156	46.27%
New Market Twp	\$ 179,132	45.01%
Cedar Lake Twp	\$ 34,700	8.72%
Total*	\$ 397,988	100.00%



STAFF MEMORANDUM

SUBJECT:	Residential Care Facility Definition
MEETING DATE:	February 22, 2018
PREPARED BY:	Renee Christianson, Community Development Specialist
REQUESTED ACTION:	Adopt Ordinance No. 166 Amending Title 11 Chapter 2 of the City Code Concerning Residential Care Facilities Definition

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND

It has come to the attention of staff that the definition for Residential Care Facility contained in the City's Zoning Ordinance is inconsistent with State Statute and is in need of correction. Staff has coordinated with the City Attorney's office to prepare the correct definition for consistency with state law. The current and proposed definitions are contained on the following page.

Residential Care Facilities are permitted uses in the City's R1, R2, R3, R4, R5 and UR zoning districts, and are listed as a conditional use in the City's Institutional zoning district. State statute requires the facilities be permitted in residentially zoned areas of the City.

BUDGET IMPACT:

There is currently no budget impact for this item, other than the cost of City staff time.

CITY ATTORNEY RECOMMENDATION:

The City Attorney has reviewed the draft Ordinance and recommended approval.

REQUESTED ACTION:

Motion to:

- Approve Ordinance No. 166 Amending Title 11-2 of the City Code Concerning Residential Care Facilities

Attachments:

(Draft) Ordinance No. 166

CURRENT ORDINANCE LANGUAGE

11-2-2: DEFINITIONS:

RESIDENTIAL CARE FACILITY: Any program, defined by Minnesota statutes section 245A.02, subdivision 14, and licensed by the state of Minnesota, that provides twenty four (24) hour a day care, supervision, food, lodging, rehabilitation, training, education, habilitation, or treatment outside a person's own home, including a nursing home or hospital that receives public funds, administered by the commissioner of the department of human services to provide services for five (5) or more persons whose primary diagnosis is mental retardation or a related condition or mental illness and who do not have a significant physical or medical problem that necessitates nursing home care; a program in an intermediate care facility for four (4) or more persons with mental retardation or a related condition; a nursing home or hospital that was licensed by the commissioner of the department of human services on July 1, 1987, to provide a program for persons with a physical handicap that is not the result of the normal aging process and considered to be a chronic condition; and chemical dependency or chemical abuse programs that are located in a hospital or nursing home and receive public funds for providing chemical abuse or chemical dependency treatment services under Minnesota statutes chapter 254B. Residential programs include home and community based services for persons with mental retardation or a related condition that are provided in or outside of a person's own home.

SUGGESTED ORDINANCE AMENDMENT LANGUAGE

11-2-2: DEFINITIONS:

RESIDENTIAL CARE FACILITY: Any program, defined by Minnesota statutes section 245A.02, subdivision 14, and licensed by the state of Minnesota, that provides twenty four (24) hour a day care, supervision, food, lodging, rehabilitation, training, education, habilitation, or treatment outside a person's own home, including ~~a nursing home or hospital that receives public funds, administered by the commissioner of the department of human services to provide services for five (5) or more persons whose primary diagnosis is mental retardation or a related condition or mental illness and who do not have a significant physical or medical problem that necessitates nursing home care;~~ a program in an intermediate care facility for four (4) or more persons with ~~mental retardation or a related condition~~ developmental disabilities; ~~a nursing home or hospital that was licensed by the commissioner of the department of human services on July 1, 1987, to provide a program for persons with a physical handicap that is not the result of the normal aging process and considered to be a chronic condition;~~ and chemical dependency or chemical abuse programs that are located in a hospital or nursing home and receive public funds for providing chemical abuse or chemical dependency treatment services under Minnesota statutes chapter 254B. Residential ~~programs~~ care facilities include home and community based services for persons with ~~mental retardation or a related condition~~ disabilities or persons age 65 and older that are provided in or outside of a person's own home.

SUGGESTED NEW/CLEAN ORDINANCE LANGUAGE

11-2-2: DEFINITIONS:

RESIDENTIAL CARE FACILITY: Any program, defined by Minnesota statutes section 245A.02, subdivision 14, and licensed by the state of Minnesota, that provides twenty four (24) hour a day care, supervision, food, lodging, rehabilitation, training, education, habilitation, or treatment outside a person's own home, including a program in an intermediate care facility for four (4) or more persons with developmental disabilities; and chemical dependency or chemical abuse programs that are located in a hospital or nursing home and receive public funds for providing chemical abuse or chemical dependency treatment services under Minnesota statutes chapter 254B. Residential care facilities include home and community based services for persons with disabilities or persons age 65 and older that are provided in or outside of a person's own home.

**CITY OF ELKO NEW MARKET
SCOTT COUNTY, MINNESOTA**

ORDINANCE NO. 166

**AN ORDINANCE AMENDING TITLE 11, CHAPTER 2,
OF THE ELKO NEW MARKET CITY CODE CONCERNING
RESIDENTIAL CARE FACILITIES**

THE CITY COUNCIL OF THE CITY OF ELKO NEW MARKET, MINNESOTA
ORDAINS:

SECTION 1. Title 11, Chapter 2, of the Elko New Market City Code is amended by adding the underlined language and deleting the strikethrough language in the definition of “residential care facility” as follows:

RESIDENTIAL CARE FACILITY: Any program, defined by Minnesota statutes section 245A.02, subdivision 14, and licensed by the state of Minnesota, that provides twenty four (24) hour a day care, supervision, food, lodging, rehabilitation, training, education, habilitation, or treatment outside a person's own home, including ~~a nursing home or hospital that receives public funds, administered by the commissioner of the department of human services to provide services for five (5) or more persons whose primary diagnosis is mental retardation or a related condition or mental illness and who do not have a significant physical or medical problem that necessitates nursing home care;~~ a program in an intermediate care facility for four (4) or more persons with ~~mental retardation or a related condition~~ developmental disabilities; ~~a nursing home or hospital that was licensed by the commissioner of the department of human services on July 1, 1987, to provide a program for persons with a physical handicap that is not the result of the normal aging process and considered to be a chronic condition;~~ and chemical dependency or chemical abuse programs that are located in a hospital or nursing home and receive public funds for providing chemical abuse or chemical dependency treatment services under Minnesota statutes chapter 254B. Residential ~~programs~~ care facilities include home and community based services for persons with ~~mental retardation or a related condition~~ disabilities or persons age 65 and older that are provided in or outside of a person's own home.

SECTION 2. This Ordinance shall take effect immediately upon its passage and publication.

ADOPTED this 22nd day of February, 2018 by the City Council for the City of Elko New Market.

CITY OF ELKO NEW MARKET

BY: _____
Robert Crawford, Mayor

ATTEST:

Sandra Green, City Clerk



STAFF MEMORANDUM

SUBJECT:	Authorize the Hiring of a Full-time Police Officer
MEETING DATE:	February 22, 2018
PREPARED BY:	Steve Mortenson, Chief of Police
REQUESTED ACTION:	Authorize the City Administrator to Hire a Full-Time Police Officer

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND:

Staff is requesting the City Council authorize the City Administrator to hire the full-time Police Officer with an expected start of employment in July 2018.

DISCUSSION:

On December 21, 2017, the City Council approved the 2018 budget. One of the items for the 2018 budget was the hiring of an additional full-time Police Officer to start in July of 2018.

As explained to the City Council, the hiring process for a Police Officer can be lengthy; there is the initial application phase, process of applications, interview of candidates, background investigation, and then hiring of the candidate. This process general takes approximately 4 – 5 months before the officer is actually hired and starts the field training program.

Staff would like to begin this process in February 2018 to reach the goal of the hiring of the new officer to start employment in July 2018.

With Council approval to hire this position, staff anticipates the following timeline for the hiring process:

Posting/Advertisement for full-time police officer: **End of February 2018 – End of March 2018.**

Process of Applications: **End of March 2018 – Mid April 2018**

Initial Interview of Candidates: **End of April 2018**

2nd Interview of Top Candidates: **Mid May 2018**

Background Investigation of Top Candidate(s): **Beginning of June 2018**

Field Training Process to begin: **July 2018**

BUDGET IMPACT:

The position is included in the 2018 Budget.

**MINUTES
CITY OF ELKO NEW MARKET
PLANNING COMMISSION MEETING
February 1, 2018
7:00 PM**

1. CALL TO ORDER

Chairman Thompson called the meeting of the Elko New Market Planning Commission to order at 7:02 p.m.

Commission members present: Thompson, Kruckman, Smith, Vetter and ex-officio member Anderson

Members absent and excused: Hartzler

Note: Commissioner Vetter arrived late and was not present for agenda items 1 through 6

Staff Present: Economic Development Specialist Christianson, City Planner Kirmis and City Engineer Revering

2. PLEDGE OF ALLEGIANCE

Chairman Thompson led the Planning Commission in the Pledge of Allegiance.

3. APPROVAL OF AGENDA

A motion was made by Smith and seconded by Kruckman to approve the agenda as presented. Vote for: Thompson, Kruckman and Smith. Against: None. Abstained: None. Motion carried: (3-0).

4. PUBLIC COMMENT

There were no public comments.

5. ANNOUNCEMENTS

There were no announcements.

6. APPROVAL OF MINUTES

Prior to the consideration of the meeting minutes, Dennis Green, who resides at 51 West Louis Street, asked the Planning Commission to make a change to the draft January 4, 2018 meeting minutes as written. He asked that a comment he believes he made at the public related to the commercial vehicle parking amendment be added. Specifically, Mr. Green asked that his reference to narrow neighborhood street widths be added.

In response to Mr. Green's request, the Planning Commission directed Planning Staff to review the recorded meeting tape and revise the meeting minutes (if necessary) to accurately reflect Mr. Green's comments.

A motion was made by Thompson and seconded by Smith to approve the minutes of the January 4, 2017 Planning Commission meeting with a condition that they be modified as necessary to accurately reflect Mr. Green's comments (based on Planning Staff's review of the recorded meeting tape). Vote for: Thompson, Kruckman and Smith. Against: None. Abstained: None. Motion carried: (3-0).

7. PUBLIC HEARINGS

A. Zoning Ordinance Amendment – Definition of Residential Care Facilities

Chairman Thompson asked Community Development Specialist Renee Christianson to present her memorandum dated February 1, 2018 related to the definition of residential care facilities. Christianson explained that the definition of "Residential Care Facility" as currently provided in the City's Zoning Ordinance is inconsistent with State Statute and is in need of correction. Christianson noted that Planning Staff has worked with the City Attorney's office in the preparation of the amendment to ensure its consistency with State law.

Christianson concluded her presentation by stating that Planning Staff recommends approval of the proposed Zoning Ordinance amendment.

Following Community Development Specialist Christianson's presentation, Chairman Thompson opened the public hearing at 7:05 p.m.

There were no comments at the public hearing.

Hearing no comments, a motion was made by Thompson and seconded by Kruckman to close the public hearing at 7:06 pm. Vote for: Thompson, Kruckman, Smith and Vetter. Against: None. Abstained: None. Motion carried: (4-0).

Recognizing that the draft amendment was previously discussed at the Planning Commission's January 4, 2018 meeting, the Commissioners had no comments or questions related to the item.

A motion was made by Smith and seconded by Kruckman to recommend approval of the "Residential Care Facilities" amendment as written. Vote for: Thompson, Kruckman, Smith and Vetter. Against: None. Abstained: None. Motion carried: (4-0).

8. GENERAL BUSINESS

A. Comprehensive Plan

1) Solar Resources Plan

Chairman Thompson asked Planner Kirmis to present the draft Solar Resources Plan chapter of the 2040 Comprehensive Plan (dated February 1, 2017). Kirmis provided an overview of the Plan, explaining that the Metropolitan Land Planning Act requires

comprehensive plans for Metropolitan Area communities to include an element related to the protection and development of access to direct sunlight for solar energy systems. In this regard, Kirmis noted that the Metropolitan Council has indicated that the following solar resource-related information must minimally be included in the Elko New Market's 2040 Comprehensive Plan:

- Gross Solar Potential Map
- Solar Resource Calculations
- Solar Resource Policies
- Implementation steps

Kirmis indicated that the Gross Solar Potential Map and the Solar Resource calculations were provided by the Metropolitan Council but that the draft policies and implementation steps were formulated by Planning Staff.

Specific notation was made that the draft Solar Resources Plan includes a policy which encourages the development of solar gardens outside of the City's 2040 MUSA boundary.

Planner Kirmis concluded his presentation by requesting feedback from the Planning Commission and a recommendation to forward the Plan chapter to the City Council for their informal review.

Following Kirmis' presentation, the Planning Commission questioned Planning Staff regarding the following:

- Existing City ordinances related to solar energy systems.
- Scott County requirements which apply to solar farms (solar gardens).

Following the Staff presentation, a motion was made by Smith and seconded by Kruckman to recommend the forwarding of the draft Solar Resources Plan chapter (as written) to the City Council for informal consideration. Vote for: Thompson, Kruckman, Smith and Vetter. Against: None. Abstained: None. Motion carried: (4-0).

2) Sanitary Sewer Plan, Water Plan and Surface Water Management Plan

Chairman Thompson asked City Engineer Revering to present the various engineering plan maps to be included in the 2040 Comprehensive Plan.

City Engineer Revering informed that Planning Commission that a sanitary sewer plan, water plan and surface water management plan are required components of the 2040 Comprehensive Plan. Revering noted that the intent of his presentation is to provide background information for more detailed review of the plans (text and maps) at February 27, 2018 Planning Commission meeting. It was specifically noted that the

presentation was “informational” and that the Planning Commission was not being asked to provide feedback on the various plans at this time.

As part of City Engineer Revering’s presentation, the following conveyed:

Sanitary Sewer Plan

- Identification of interceptor locations
- Proposed changes to the City’s 2030 Sanitary Sewer Plan
- Sewer districts and basis for boundaries
- City geology
- Plan objectives – including, but not limited to, a determination of system costs and related fees
- Metropolitan Council financial obligations
- Timing/sequence of system construction and challenges
- Infrastructure impediments

Water Plan

- Identification of water plant, well and trunk water main locations
- Water pressure zones (former City of Elko is in a separate zone due to elevation differences with surrounding areas)
- Pipe sizing (based on need to provide adequate fire protection)
- Water system cost factors
- Well depths (aquifer access)
- Water quality/treatment
- Water service process (sequence for home access to water)
- Future water tower locations (likely not required before 2040) and tower property acquisition
- Loop system objective and related benefits

Surface Water Management Plan

- Identification of watershed locations and basis for boundary demarcations
- Shift from previous regional ponding objectives to local ponds (due to implementation obstacles)
- Climatic changes which influence storm water management (“bigger” rainfall events and more frequent “big” events)
- Review/examination of City contours (on a neighborhood scale)

9. MISCELLANEOUS

A. City Staff / Consultant Business Updates and Reports

Project Updates. Community Development Specialist Christianson provided verbal updates on the following City projects:

- Barness project
- Boulder Pointe subdivision
- Pete's Hill Park
- Dakota Acres
- DeGross property
- New Market Bank commercial center
- Christmas Pines
- Chinese restaurant

B. Planning Commission Questions and Comments

There were no Planning Commission questions or comments.

10. ADJOURNMENT

A motion was made by Kruckman and seconded by Vetter to adjourn the meeting at 8:28 p.m. Vote for: Thompson, Kruckman, Smith and Vetter. Against: None. Abstained: None. Motion carried: (4-0).

Submitted by:



Renee Christianson
Community Development Specialist



601 Main Street
Elko New Market, MN 55054
phone: 952-461-2777 fax: 952-461-2782

MEMORANDUM

TO: CITY COUNCIL, PLANNING COMMISSION, EDA & CHAMBER OF COMMERCE
FROM: RENEE CHRISTIANSON, COMMUNITY DEVELOPMENT SPECIALIST
SUBJECT: COMMUNITY DEVELOPMENT UPDATES
DATE: FEBRUARY 8, 2018

Background / History

The purpose of this memo is to provide the updates regarding on-going miscellaneous projects and activities being worked on by Community Development staff. Below is a summary of projects that are currently being worked on, inquiries received, and miscellaneous information:

Boulder Heights – Residential subdivision containing 53 lots. The developer began grading the site and also began the installation of municipal utilities during the late fall and early winter of 2018. Shortly before Christmas the developer ceased work for the winter. Utility and grading work will resume in the spring as weather permits.

Christmas Pines – The development received preliminary plat approval in June of 2017. The City issued a Notice of Decision on the wetland boundary and type application on 5.18.17. The application for wetland replacement was approved by the City Council on 10.26.17. Staff met with the developer to review outstanding issues and draft development contract on 1.31.18. The developer indicated during this meeting that they would be moving forward with application for final plat approval in the spring of 2018 with the intent to construct the project in the spring/summer of 2018. The City is waiting for revised plan submittals and information from developer.

New Market Bank Addition / Elko New Market Commerce Center – The building permit application was issued and a groundbreaking ceremony was held on 10.5.17. Construction is underway and expected to take approximately six months. Curbing is installed and the first layer of bituminous is on the parking lot. A permit has been received for finishing the interior space for the New Market Bank (east end of the building), a restaurant at the east end of the building, and a hair salon. Separate permits are needed to finish the interiors of each tenant space.

Boulder Pointe 6th Addition – Staff met on 2.1.18 with Bjorn Vogen who owns an outlot in Boulder Pointe 6th Addition. The outlot is on Oxford Lane and is adjacent to the golf course. He advised staff that he has hired an engineer to prepare an application for PUD amendment, preliminary and final plat approval. Staff anticipates that a minimum of ten single family lots will be possible through the platting process.

Warren Barsness – An application for PUD zoning and preliminary plat of Barsness 1st Addition has been received by the City of 1.4.18. The application was for development of a commercial site containing a gas station, car wash, c-store, office, retail, and storage uses. Staff determined the initial application to be incomplete. An amended application for sketch plan review has been submitted and a special meeting of the Planning Commission is being scheduled to consider the sketch plan application.

Dakota Acres / Syndicated Properties –The City Council sold 13 platted townhome lots and a 2.1 acre outlot to Syndicated Properties on 10.23.17. Syndicated purchased the property with the intention of constructing approximately 41 rental townhomes. The buyer intends to construct 13 townhome units at one time, and has submitted a concept plan for staff review. Staff anticipates the 13 units to be under construction before summer of 2018.

Dakota Acres / City Owned Property - The City continues to own a 3.1 acre parcel to the west of the property purchased by Syndicated Properties. There are currently two parties expressing mild interest in the remaining property. One interested party is pursuing an investor and operator for an assisted living facility. The other is interested in a multi-family residential project. The current asking price for the property, based on a 2016 appraisal, is \$285,000.

Adelmann Property – City staff has been working with the Adelmann family to develop a preferred concept development plan for their properties currently located in New Market Township along Co Rd 2, and west of I-35. This project is a result of a 2017 Scott County CDA grant provided to the City. A second 2018 grant has also been awarded to the City which allows completion of an AUAR, wetland inventory and tree inventory on the properties.

Pete’s Hill Park – Staff has been regularly communicating with the property owner for this potential residential development project containing 44 single family lots and located immediately south of Pete’s Hill Park. The wetland boundary and type concurrence applications have been submitted and approved by the Township. The most recent concept development plan was submitted to the City on 11.22.17. Staff met with the owner on 1.10.18 and provided revised written feedback and development fee estimates on 1.15.18. The property owner continues to look for a developer to develop the property. Topography, wetlands and trees add to the challenge of developing the property. The project requires annexation of property from New Market Township.

Pheasant Hills – This potential residential development was approved prior to the recession but never completed. Staff met with the current property owner, who indicated he would like to pursue development of the property, on 2.8.18. He is interested in redesigning the subdivision to create more lots than had been planned for pre-recession.

Grocery Store Leads – There are no current grocery store leads. Staff received several inquiries in the spring of 2017; activity regarding these leads has ceased, at least for the time being. Staff provided market information to the mayor for conveyance to HyVee on 11.10.17.

Coffee Shop – A building permit has been issued for a tenant finish permit in the Joe Friedges strip mall on Church Street. The permit was for a remodel to finish the former Helen’s Café space as a coffee shop. Staff understood that the coffee shop was expected to open in January.

Farmer’s Insurance – A Farmer’s Insurance office opened at 541 Main Street. A ribbon-cutting ceremony was held on 2.8.18.

Gift Shop – A new gift shop has opened in the space formerly occupied by the Crowned Cottage, located at 531 Main Street. A ribbon-cutting ceremony was held on 2.8.18.

Smoke Shop – A building permit application was received for an interior finish for a smoke shop located at 321 Main Street in the Troy Friedges retail center building. The shop, Elko Tobacco, is expected to open in February 2018.

Building Permits – The City issued eleven residential building permits in 2017.

Park I-35 – There have been no active inquiries/leads for the industrial park since the spring of 2017, other than the Amazon Headquarters. In January, 2018, Ryan Companies indicated that they may be receiving an RFP for the property for a large distribution center.

**ELKO NEW MARKET PARKS COMMISSION
TUESDAY, FEBRUARY 13, 2018
REGULAR MEETING MINUTES**

PRESENT:

Present at Roll Call were Commissioner Emily Dornseif; Commissioner Dennis Melgaard; Commissioner Miller; and Chair Mike Sutton. Also present was Assistant City Administrator Mark Nagel.

CALL TO ORDER:

The meeting was called to order at 4:02 PM in Conference Room B at Elko New Market City Hall, 601 Main Street.

APPROVE AGENDA:

Mr. Nagel said there were two additions to the January meeting – bills for portable restrooms rental from Schlomkas and Dazzling Dave Schulte for the 2/1 Winter Program at the Library, which will be added under 7.f. – Consider Approval of Bills. Upon motion by Commissioner Miller, seconded by Commissioner Melgaard, the February Meeting Agenda was unanimously approved by the Parks Commission.

CITIZEN COMMENTS:

There were no citizen comments made at the February, 2018 Parks Commission Meeting.

APPROVAL OF MINUTES OF JANUARY 9, 2018 PARKS COMMISSION MEETINGS:

Upon motion by Chair Sutton, seconded by Commissioner Melgaard, the Commission unanimously approved the Parks Commission Minutes for the January 9, 2018 meeting by voice vote.

PETITIONS, REQUESTS, AND COMMUNICATIONS:

There were no Petitions, Requests, or Communications presented at the February, 2018 Parks Commission Meeting.

UPDATES:

Mr. Nagel reviewed the January 31, 2018 ENM Parks Commission Update, which contained 20 items, with the Commissioners. He noted that the Commissioner Dornseif had been reappointed to another 3 year term effective March 31, 2018.

Chair Sutton reported that the next event for the CCEC would be the Egg Hunt and that the next meeting of the CCEC was on February 20, 2018.

Mr. Nagel reported the January 11th meeting of the New Prague Community Ed Advisory Board had been cancelled and he would send an email to Commissioners to see if any of them could make it for the March 8th meeting since Commissioner Zahratka would be out of town. Chair Sutton indicated that he would be able to attend.

OLD/NEW BUSINESS:

Mr. Nagel said the Final Draft of the Rowena Pond Park RePurposing Plan, including the phasing and costs, were presented to City Council on January 25th. He told the Council that the preliminary estimate for the project was around \$225,000, not including contingency, and would be done in 3 phases beginning this year. At their February 8th Meeting, the City Council approved the RePurposing Plan with one minor revision – a dirt infield, instead of a grass infield. Mr. Nagel thanked Chair Sutton for attending the meeting to assist with the Presentation. Mr. Nagel said that the Parks Commission could now move forward with the implementing the Plan.

Mr. Nagel updated the Commissioners on discussions with the Elko Baseball Club on their request to fence around Old Elko City Hall Park. He said that a representative of the Club was agreeable to sliding fence around the Park that would remain open all the time with the exception of events at ballfield. Consensus of the Parks Commission was that the Club should provide funds to assist in moving the swing to accommodate the fence and that a letter noting the approval of the fence be provided by the Club Board of Directors. Mr. Nagel said

that he would need to check with the City Attorney to make sure that the proposed solution would meet legal standards for a public park.

Mr. Nagel said that the recent Emerald Ash Borer Report by S & S Tree Service contained good news – NO signs of the Emerald Ash Borer were present in any ash trees on public property in the City. The report also identified ash trees that should be saved and those that could be taken down. He said that the company noted that saving the 17 ash trees that they recommended be saved would cost around \$3,000. He said it included 2 years of application of treatment, plus a guarantee of suitable replacement trees should the treatment not work. He said that the Parks Commission would need to go the City Council for funding should the decision be made to move forward. Mr. Nagel presented an email to Commissioners from the company that attempted to answer the questions on the bid asked by Parks Commissioners at the January Meeting. After much discussion, the Parks Commission directed Mr. Nagel to ask the vendor to provide more information on the number of treatments that would need to be done over a 10 year period and the size of replacement trees for the March Meeting. No further action was taken by the Parks Commission on this Agenda Item.

Mr. Nagel presented an email outlining the proposed Winter programming for the 4 Thursdays at 6:30 PM in February, 2018 at the ENM Library Branch. He said that the first 2 programs were well attended with 108 people at the 2 events so far. The Big Fun Show and the Rad Zoo are the last 2 events on 2/15 and 2/22 at 6:30 PM. No further action was taken.

Mr. Nagel reviewed the Annual Goals Process for 2018 with Commissioners. This year, he said, he asked City Council if they had specific goals and asked City Staff to do the same. Upon motion by Chair Sutton, seconded by Commissioner Melgaard, the Parks Commission unanimously approved the 2018 Goals as presented.

Mr. Nagel presented the 2017 Annual Report to the Commission noting that much had been completed last year. He said that the Annual Report would be presented to City Council at a later. On motion by Commissioner Miller, seconded by Commissioner Dornseif, the Parks Commission unanimously approved the 2017 Annual Report and directed Mr. Nagel to forward it to City Council for their review.

Mr. Nagel presented the Bill List to the Commissioners – Dave Schulte for Winter Program for \$345; Schlomka's Portable restrooms for \$2600; NP Community Ed

for Summer Movies/Events coordination for \$1,559.53; and Link Cabinets for the wood frame for the 10th Anniversary Exhibit for \$300.00. Upon motion by Commissioner Miller, seconded by Commissioner Dornseif, the Parks Commission unanimously approved the Bill List as presented.

OTHER BUSINESS:

Mr. Nagel said that while there was interest in reviving the Vet's Memorial Park proposal from 2014, the City council declined to take a lead on the project opting for one of the Veteran's organizations to do so, if they were interested. Should that occur, he noted that the Parks Commission may be assigned to work with them, since it may be constructed in a City park.

NEXT MEETING:

The next meeting of the ENM Parks Commission was set for Tuesday, March 27, 2018 at 4:00 PM in Conference Room A of Elko New Market City Hall

PARK COMMISSIONER COMMENTS:

There were no comments provided at the February Parks Commission Meeting by Parks Commissioners.

ADJOURNMENT:

There being no further business to come before the Parks Commission, upon motion by Commissioner Melgaard, seconded by Commissioner Dornseif, the meeting was adjourned by voice vote at 5:08 PM.

**Respectfully Submitted,
Mark Nagel, Assistant City Administrator**