



COMMUNITY SOLAR LICENSE AGREEMENT

Contract Number _____

This License Agreement ("Agreement") is made and entered into by and between Stearns Electric Association, with its principal place of business at 900 Kraft Drive SE, Melrose, MN 56352 ("Stearns") and the Member identified as follows:

Member Name: _____ Account Number: _____

Billing Address: _____ City: _____

State: _____ Zip: _____ Telephone: _____

The Effective Date of this Agreement is _____

1. LICENSE.

- a. Subject to the terms and conditions set forth in this Agreement, Stearns hereby grants to Member a license to purchase the kWh output from _____ solar panels, and Member hereby agrees to pay Stearns a License Fee for the kWh output of \$845.00 per solar panel.
b. Each solar panel will be placed in service at Stearns' Community Solar Array located at the 29643 Frontage Road, St. Joseph, MN. Member acknowledges and agrees that Stearns will retain sole ownership, possession, and control of the Community Solar Array, and will have the exclusive right to maintain and operate the Community Solar Array.
c. During the Term of this Agreement, Member will receive the kWh output for each solar panel licensed to Member as a credit, (Solar Panel kWh Output Credit), on the Member's invoice for electricity provided by Stearns at the following address (the "Service Address") which address must be located within Stearns' service territory.

Street Address: _____ City: _____, Minnesota Zip: _____

Stearns' Service Location _____ (to be supplied by Stearns).

- d. Any account that receives a monthly bill is eligible to purchase a License. A License Agreement with a Member will be required for each specific location.
e. The estimated annual kWh output of the solar panels licensed to Member may not exceed: (a) the kWh energy used in the past twelve months on the account Member has designated to receive the Solar Panel kWh Output Credit, or (b) the kWh output from five solar panels, whichever is less.
f. Member acknowledges that Stearns, as owner of the Community Solar Array, retains all rights to all Renewable Energy Credits associated with each solar panel licensed pursuant to this Agreement for Stearns' sole use.

2. CONSIDERATION. As consideration for the License granted to Member pursuant to this Agreement, the Member will (select one):

[] Pay Stearns the sum of \$845.00 per solar panel (the "License Fee"), due upon execution of this Agreement. Such License Fee will be made payable to Stearns.

[] Pay Stearns the sum of \$845.00 per solar panel (the "License Fee"), as follows: \$_____ due upon execution of this Agreement and \$_____ according to the terms of the attached promissory note.

3. TERM. This License will commence on the Effective Date of this Agreement, or on the in-service date of the solar panels licensed hereby, whichever is later, and will continue for 20 years from the in-service date of the solar panels (the "Term"), subject, however, to early termination as provided in Sections 6 and 13 of this Agreement to this Agreement.

4. STEARNS' OBLIGATIONS. Stearns agrees to:

- a. Provide, at its cost, all necessary maintenance for the Community Solar Array. Stearns shall be responsible for ensuring that the Community Solar Array and each of its components meet all applicable codes, standards, and regulatory requirements at the time of installation and throughout the Term of this Agreement. In the event of equipment failure, Stearns will bring the equipment back to working order as quickly as is reasonable possible. Stearns is not responsible for any lost Solar Panel kWh Output Credits due to the Community Solar Array being out of service.
- b. Acquire and maintain, at its sole cost, insurance for the Community Solar Array. Stearns will be listed as the loss payee for such insurance.
- c. Return the License Fee if the Community Solar Array is not constructed.

5. SOLAR PANEL KWH OUTPUT CREDIT. The Solar Panel kWh Output Credit will be calculated as follows:

- a. The Solar Panel kWh Output Credit will remain associated with the Service Address regardless of occupancy or ownership changes at that location unless the Member, or Member's successor or assignee, requests a transfer of the Solar Panel kWh Output Credits to another approved address in accordance with Section 8 of this Agreement.
- b. Stearns will calculate the Solar Panel kWh Output Credit by dividing the Total Power Output of the Community Solar Array by the number of solar panels in the array. All Solar Panel kWh Output Credits will be applied to the member's bill at the GS1 rate in effect at that time.
- c. The actual electric production for the entire Community Solar Array will be recorded on a calendar month basis. The appropriate credit will be applied to Member's bill the following month after that production.
- d. In the event the account for the Service Address associated with this Agreement is removed, disconnected, and/or not in service, Stearns will make a reasonable attempt to contact the Member to determine another Service Account to which the Solar Panel kWh Output Credit can be transferred. During this time, the electricity produced by these panels will be retained and utilized by the entire membership of Stearns. The credits associated with this production will be applied in a way deemed acceptable by Stearns.

6. LICENSE/AGREEMENT BUYOUT. If the Member moves out of Stearns' service area and is unable to transfer or donate this license to another Stearns member, the Member may, at the Member's option, accept Stearns' repurchase option described in Attachment A, Solar Output Repurchase Table. The Solar Output Repurchase Table is maintained for the purpose of determining the buyout price. If the Member accepts the repurchase option, then this Agreement and the License granted hereby will be terminated and Stearns will have no further obligations to the Member.

7. ADDITIONAL ACKNOWLEDGEMENTS. The parties further acknowledge and agree that:

- a. Member will not have access to the Community Solar Array for any purpose, unless otherwise agreed to in advance by Stearns in its sole discretion.
- b. Except as expressly provided in Section 8 of this Agreement, Member may not assign, gift, bequeath, or otherwise transfer this License for the output of a Solar Panel to any other individual or entity.

8. TRANSFER/ASSIGNMENT.

- a. Subject to the provisions of this Section, and with advance notice to Stearns, Member may elect to:
 1. change the Service Address for which the Solar Panel kWh Output Credit for the solar panel will apply, provided such Service Address is within Stearns' service territory, or
 2. assign this Agreement and/or the License granted hereby to another Stearns member, provided such assignee's Service Address is located within Stearns' service territory.
- b. Member will notify Stearns of such change or assignment in writing at least 30 days prior to the effective date of such change, which notice will include:

1. Member's name and mailing address and additional contact information;
2. The current Service Address;
3. The new Service Address;
4. The name of the Stearns member to whom Member is assigning this Agreement;
5. Member's surrender of the applicable License; and
6. The effective date of such change or assignment.

c. Member may transfer/assign this Agreement and/or the License granted hereby once in any calendar year at no charge. An administration fee of \$25.00 will be charged for each transfer/assignment in excess of once in a calendar year.

d. Upon assignment of this License, the Member will surrender all rights and interest in and to this License. Member further acknowledges and agrees that such assignment does not extend the Term of this License.

9. NOTICE. All notices, requests, consents, and other communications require by this Agreement will be in writing and delivered in person by first class mail, postage prepaid, to the address stated above for the party to which it is intended and will be deemed delivered upon the earlier of: (a) the date of actual receipt, or (b) three business days after being deposited in the mail, postage prepaid.

10. NO PARTNERSHIP, ETC. Nothing in this Agreement shall be construed as creating any partnership, joint venture, or other business relationship between the parties. The Member shall not, for any purpose, be considered to be an agent of Stearns.

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

12. GOVERNING LAW/JURISDICTION/VENUE. This Agreement shall be deemed to have been made in, and shall be construed under, the laws of the State of Minnesota, without regard to the principles of conflicts of laws thereof. The parties acknowledge and agree that a court of competent jurisdiction located in Stearns County, Minnesota shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement.

13. DEFAULT. In case of a default in the performance of any of the terms of this Agreement by Member, Stearns may cancel this Agreement upon Notice to Member and the License granted hereby will be terminated and Stearns will have no further obligations to the Member under the Agreement.

In Witness Whereof, the parties have executed this License Agreement as of the Effective Date.

Member name (please print)

Member signature

Stearns Electric Association	

Name	

Signature	

Title	

ATTACHMENT A

SOLAR OUTPUT REPURCHASE TABLE

YEAR	PERCENT OF PURCHASE PRICE	YEAR	PERCENT OF PURCHASE PRICE
1	95%	11	45%
2	90%	12	40%
3	85%	13	35%
4	80%	14	30%
5	75%	15	25%
6	70%	16	20%
7	65%	17	15%
8	60%	18	10%
9	55%	19	5%
10	50%	20	0%

This example is based on the in-service date of the solar panel and is calculated on a straight line depreciation over 240 months, on a monthly basis.