

Photovoltaic Solar System Purchase and Install Agreement

This agreement (“Agreement”) dated _____ (“Effective Date”), is between Solar Connection Inc. (“Seller”) and Lewiston-Altura Public Schools (“Buyer”). Seller shall sell, design, construct, and make commercially operational a photovoltaic system for Buyer in accordance with the following:

1. Parties

Buyer:		Seller:	
Name and Address	Lewiston-Altura Public Schools 100 County Rd 25 Lewiston MN 55952 Attention: Gwen Carman	Name and Address	Solar Connection, Inc. 6254 34 th Avenue NW, Suite A Rochester, MN 55901 Attention: Chris Olofson
Phone	(507) 523-2191	Phone	(507) 292-8400
E-mail	gcarman@lewalt.k12.mn.us	E-mail	Chris.olofson@solarconnectioninc.com
Premises Ownership	Purchaser <input checked="" type="checkbox"/> owns <input type="checkbox"/> leases the Premises. List Premises Owner, if different from Purchaser: _____	Additional Seller Information	

AGREEMENT – The parties to this contract agree as follows:

- Scope of Work** – Seller shall design and install two solar projects at each of the school building locations as detailed in Exhibits (A and B) “Scope of Work”.
- Purchase Price** – Buyer will pay a total purchase price (“The Purchase Price”) for all systems of \$817,627 (Eight Hundred Seventeen Thousand Six Hundred Twenty-Seven Dollars). Individual Project costs are broken out in Exhibits (A and B). Buyer agrees to pay The Purchase Price as follows:

Initial Payment: An initial payment of \$1,000 (One Thousand Dollars) will be due within 30 days of receiving invoice from Solar Connection upon receiving approval of the solar for schools grant.

Down Payment: A down payment of three percent (3%) of The Purchase Price, or \$24,529 (Twenty-Four Thousand Five Hundred Twenty-Nine Dollars), due within 30 days of receiving invoice from Solar Connection at the commencement of permitting and design work.

Equipment Payment: A second installment payment of sixty-seven percent (67%) of The Purchase Price, or \$547,810 (Five Hundred Forty-Seven Thousand Eight Hundred Ten Dollars), due within 10 days of receiving the invoice at the time of equipment delivery to site.

Commercial Operation Payment: The third and final installment payment of Thirty percent (30%) of The Purchase Price, or \$244,288 (Two Hundred Forty-Four Thousand Two Hundred Eighty-Eight Dollars), due within 10 days of receiving final invoice from Solar Connection at the time of system commissioning.

3. **System Ownership:** Upon the commercial operation of the system Buyer shall be the rightful owner of the system. Buyer agrees to allow Seller reasonable access to the System to make necessary repairs and adjustments to maintain the estimated power production and to comply with the terms of all applicable manufacturers or other applicable warranties.
4. **Incentives and REC's (Renewable Energy Credits):** Buyer shall retain all associated tax credits/incentives, renewable energy credits, utility or production incentives, and applicable grants or rebates, except for any incentives listed in Exhibit A or B as specifically belonging to Seller.
5. **Project Approval:** Seller shall furnish to Buyer a detailed site layout and electrical diagram including construction and equipment specifications for solar facilities. Seller will obtain Buyer's written approval for such plan prior to submitting the interconnection application to the utility, and prior to the commencement of any work. All equipment listed will be provided with original manufacturer's warranties. An initial project design with proposed project area, and electrical connection points are attached in Exhibits (A and B). By signing this Agreement Buyer is agreeing to the general project area, and electrical connection points as set forth in Exhibits (A and B).
6. **Warranties:** Seller has the authority to sell the System to Buyer free of any liens, encumbrances, or claims of any third parties.
 - A. **Workmanship Warranty:** Seller warrants the System will be free from material installation defects for a period of ten (10) years following the commercial operation date of the

system. During such time Seller will repair and/or remedy material installation defects at no charge to Buyer. Seller will provide non-covered repair work (work that is required for issues that have arisen due to reasons other than material installation defects) at the current labor rates at that time minus any compensation provided by manufacturer warranties for labor.

- B. **Manufacturer Warranties:** All manufacturer warranties will be passed through to Buyer, and Seller will provide any manufacturer's product and warranty documentation upon the commercial operation of the System. All solar panels used will come with a minimum 25-year linear performance warranty that guarantees the performance to be no less than 80% of year 1 production capacity. Seller will furnish to Buyer all applicable manufacturer warranty documentation in accordance with the listed manufacturers in Exhibits (A and B).

7. **Warranty Disclaimer:**

- A. **Buyer's Responsibilities:** Buyer is responsible for all basic System maintenance and upkeep to maintain optimal performance of the system, such as trimming grass and weeds beneath ground mounts, and cleaning any substantial soiling of the system from dirt, dust, or other substances that may reduce the production of the system. Buyer is also responsible for maintaining site control and site access for the System.
- B. **Disclaimer:** SELLER'S AND ALL APPLICABLE MANUFACTURERS' WARRANTIES DO NOT COVER DAMAGE DUE TO EXTERNAL CAUSES, INCLUDING BUT NOT LIMITED TO THE FOLLOWING: ACCIDENT, ABUSE, MISUSE, ELECTRICAL POWER PROBLEMS CAUSED BY THE UTILITY COMPANY, SERVICE NOT PERFORMED OR AUTHORIZED BY SELLER (INCLUDING INSTALLATION OR DE-INSTALLATION), USAGE NOT IN ACCORDANCE WITH INSTRUCTIONS, NORMAL WEAR AND TEAR, WEATHER, NEGLIGENCE, USE OF PARTS AND COMPONENTS NOT SUPPLIED OR INTENDED FOR USE WITH THE SYSTEM AND ACTS OF GOD.

EXCEPT AS SET FORTH EXPRESSLY IN THIS AGREEMENT, THE SYSTEM IS SOLD TO BUYER "AS IS" AND SELLER MAKES NO WARRANTIES AS TO THE NATURE, QUALITY, FUNCTIONALITY, PERFORMANCE, OR OTHER ATTRIBUTES OF THE SYSTEM. SELLER SPECIFICALLY DISCLAIMS

ALL IMPLIED WARRANTIES AND CONDITIONS WITH RESPECT TO THE SYSTEM, INCLUDING ANY AND ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

No agent, employee, or other representative of Seller is authorized to make any representations or warranties regarding the System other than those stated in this Agreement.

8. **Risk:** The ownership and risk of loss with respect to the System and all associated materials and equipment passes to Buyer when construction and commercial operation of the System is complete. Loss of or damage to the System after transfer of ownership will not release Buyer from their payment obligations under the terms of this Agreement.
9. **Insurance:** Upon commencing construction of the project and up until commercial operation of the system Seller shall maintain (A) Property insurance on the System for the replacement cost thereof, (B) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (C) employer's liability insurance with coverage of at least \$1,000,000 and workers' compensation insurance as required by law.
10. **License:** Buyer has title to or a leasehold or other property interest in the Premises. Buyer has the full right, power and authority to grant the License. Such grant of the License does not violate any law, ordinance, rule or other governmental restriction applicable to Buyer or the Facility and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Facility. If Buyer does not own the Premises or Facility, Buyer has obtained all required consents from the owner of the Premises and/or Facility to grant the License and enter into and perform its obligations under this Agreement.
11. **General Representations and Warranties:** Each Party represents and warrants to the other the following as of the Effective Date of this Agreement:
 - A. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and shall not violate any law; and this

Agreement is valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).

- B. Such Party has obtained all licenses, authorizations, consents, and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.

12. **Use of Contractors and Subcontractors:** Seller shall be permitted to use contractors and subcontractors to perform its obligations under this Agreement, provided however, that such contractors and subcontractors shall be duly licensed and shall provide any work in accordance with applicable industry standards. Notwithstanding the foregoing, Seller shall continue to be responsible for the quality of the work performed by its contractors and subcontractors.

13. **Entire Agreement** – This Agreement, along with the attached Exhibits, constitutes the entire Agreement between the Parties. Any prior proposals, negotiations, and representations not attached to this Agreement, or an applicable Exhibit have no force or effect. In the event of a conflict between the terms of any Exhibit and the foregoing terms of this Agreement, the terms of the Agreement shall prevail.

Signature Page to Follow:

Signatures:

The individuals signing below hereby represent that they are authorized to enter into this Agreement on behalf of the Party for whom they sign.

Lewiston-Altura Public Schools

Solar Connection Inc.

By: _____

By: _____

(SIGNATURE)

(SIGNATURE)

Name: Gwen Carman

Name: _____

(Print)

Title: Superintendent

Title: _____

Date: _____

Date: _____

***This agreement is contingent upon Lewiston-Altura Public Schools receiving the full grant award from the Solar for Schools grant**

Exhibit A – Scope of Work

1. **System Location:** High School (100 County Rd 25 Lewiston MN 55952)
2. **System Size (DC kW):** Two Hundred Eighteen and One Half (218.5) kW DC
3. **Expected First Year Energy Production (kWh):** 290,580 kWh's
4. **Expected Structure:** Ground Mount Roof Mount Parking Structure Other
5. **Utility:** MiEnergy cooperative
6. **Total Project Cost: \$428,260** (four hundred twenty-eight thousand two hundred sixty dollars)
7. **Anticipated inverter replacement costs (year ~15-20)** \$12,000 includes both inverters and labor
8. **Anticipated end of life decommissioning costs** \$48,000 includes labor, disposal, and recycling value
9. **Expected Module(s):**

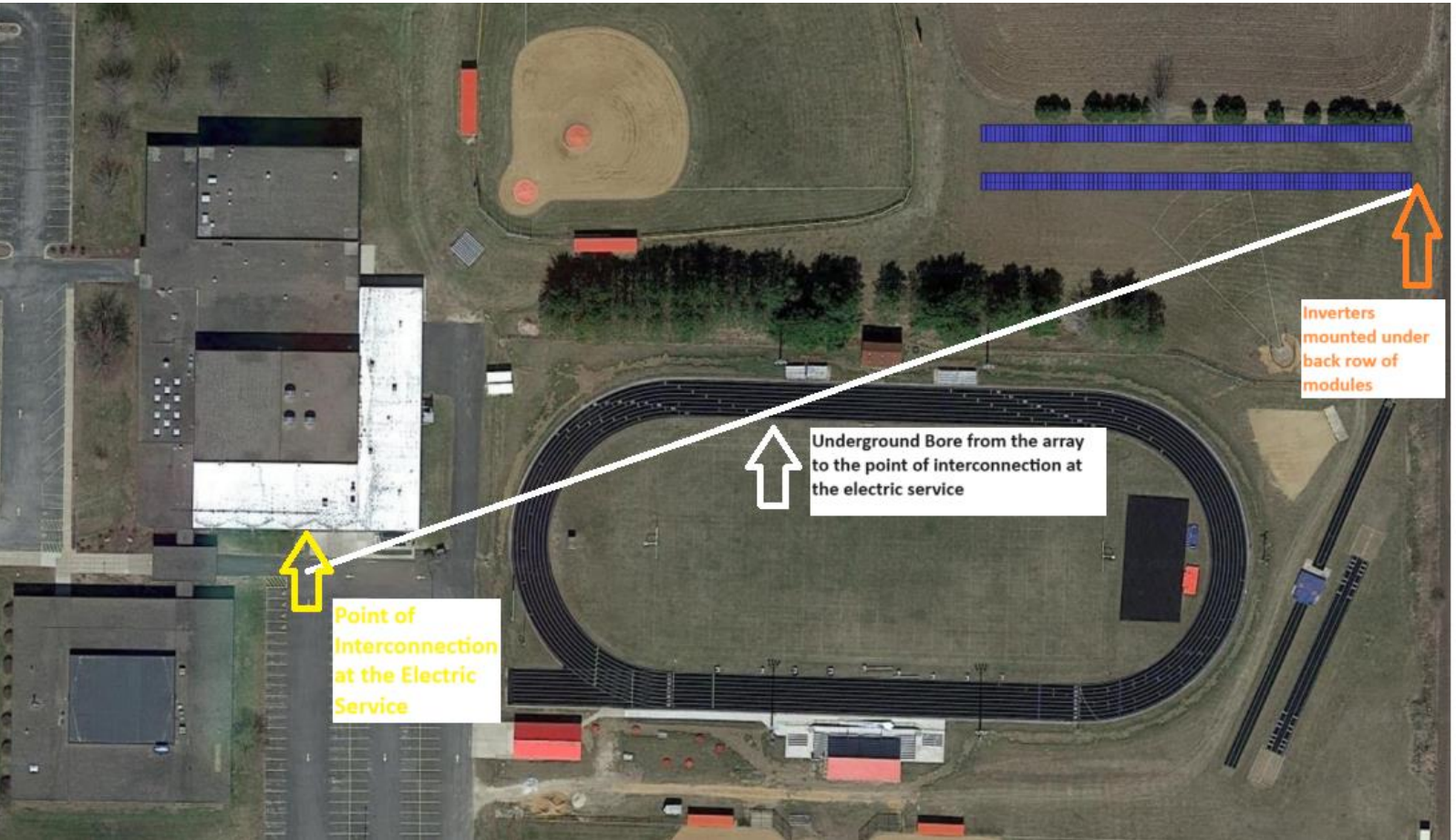
<u>Manufacturer/Model</u>	<u>Quantity</u>
VSUN 575 watt bi-facial	380

10. **Expected Inverter(s):**

<u>Manufacturer/Model</u>	<u>Quantity</u>
SMA Sunny Tripower 62KW 3phase Inverter	3

Includes:	<input checked="" type="checkbox"/> Design, engineering, permitting, installation, monitoring, rebate application, roof structural engineering analysis, removal of any ballast rock within project area, and paperwork processing of the System. <input checked="" type="checkbox"/> Limited Warranty. <input checked="" type="checkbox"/> Any like substantive equipment, in the sole discretion of the Seller. <input checked="" type="checkbox"/> State or Utility Rebate, if any. Describe: <u>Solar for Schools Grant</u>
Excludes:	Unforeseen groundwork (including, but not limited to, excavation/circumvention of underground obstacles), any necessary concrete footings, upgrades or repair to the Facility or utility electrical infrastructure including transformer upgrades, tree removal, or tree trimming.

(Exhibit A continued) Project Area and Point of Interconnection



*Array rows can be altered to satisfy the best use of the ground space. Final design will be submitted to the school for signature before proceeding with the project

(Exhibit A Continued) 30 Year Estimated Cash Flow Analysis

PV Degradation Rate	0.45%	Energy Cost Escalation Rate	3.0%	Federal Income Tax Rate	0.0%
State Income Tax Rate	0.0%	Interest Rate	5.75%	Total Project Cost	\$428,260
Upfront Payment	\$342,608	Loan Term	5 Years		

Years	Financing Payments	O&M / Equipment Replacement	Decommissioning Costs	Incentive Amount	30% Direct Pay	Electric Bill Savings	Total Cash Flow	Cumulative Cash Flow
Upfront	-\$342,608	-	-	\$214,130	-	-	-\$128,478	-\$128,478
1	-\$19,751	-	-	-	\$128,478	\$21,191	\$129,917	\$1,439
2	-\$19,751	-	-	-	-	\$21,728	\$1,977	\$3,416
3	-\$19,751	-	-	-	-	\$22,279	\$2,527	\$5,943
4	-\$19,751	-	-	-	-	\$22,843	\$3,092	\$9,035
5	-\$19,751	-	-	-	-	\$23,421	\$3,670	\$12,705
6	-	-	-	-	-	\$24,013	\$24,013	\$36,718
7	-	-	-	-	-	\$24,620	\$24,620	\$61,337
8	-	-	-	-	-	\$25,241	\$25,241	\$86,578
9	-	-	-	-	-	\$25,877	\$25,877	\$112,456
10	-	-	-	-	-	\$26,529	\$26,529	\$138,985
11	-	-	-	-	-	\$27,197	\$27,197	\$166,182
12	-	-	-	-	-	\$27,881	\$27,881	\$194,063
13	-	-	-	-	-	\$28,581	\$28,581	\$222,644
14	-	-	-	-	-	\$29,299	\$29,299	\$251,943
15	-	-	-	-	-	\$30,033	\$30,033	\$281,976
16	-	-\$12,000	-	-	-	\$30,786	\$18,786	\$300,762
17	-	-	-	-	-	\$31,556	\$31,556	\$332,319
18	-	-	-	-	-	\$32,346	\$32,346	\$364,664
19	-	-	-	-	-	\$33,154	\$33,154	\$397,818
20	-	-	-	-	-	\$33,981	\$33,981	\$431,799
21	-	-	-	-	-	\$34,828	\$34,828	\$466,627
22	-	-	-	-	-	\$35,696	\$35,696	\$502,323
23	-	-	-	-	-	\$36,584	\$36,584	\$538,906
24	-	-	-	-	-	\$37,493	\$37,493	\$576,400
25	-	-	-	-	-	\$38,424	\$38,424	\$614,824
26	-	-	-	-	-	\$39,377	\$39,377	\$654,201
27	-	-	-	-	-	\$40,353	\$40,353	\$694,554
28	-	-	-	-	-	\$41,352	\$41,352	\$735,905
29	-	-	-	-	-	\$42,374	\$42,374	\$778,279
30	-	-	-\$48,000	-	-	\$43,420	-\$4,580	\$773,700

- Inverter replacement estimated in year 15
- System decommissioning, removal, and recycling costs estimated in year 30

Exhibit B – Scope of Work

1. **System Location:** Elementary School (115 Fremont St South Lewiston MN 55952)
2. **System Size (DC kW):** One Hundred Eighty-Six and Three/Tenths (186.3) kW DC
3. **Expected First Year Energy Production (kWh):** 223,311 kWh's
4. **Expected Structure:** Ground Mount Roof Mount Parking Structure Other
5. **Utility:** MiEnergy Co-op
6. **Total Project Cost: \$389,367** (three hundred eighty-nine thousand three hundred sixty-seven dollars)
7. **Anticipated inverter replacement costs (year ~15-20)** \$18,000 includes both inverters and labor
8. **Anticipated end of life decommissioning costs** \$42,000 includes labor, disposal, and recycling value
9. **Expected Module(s):**

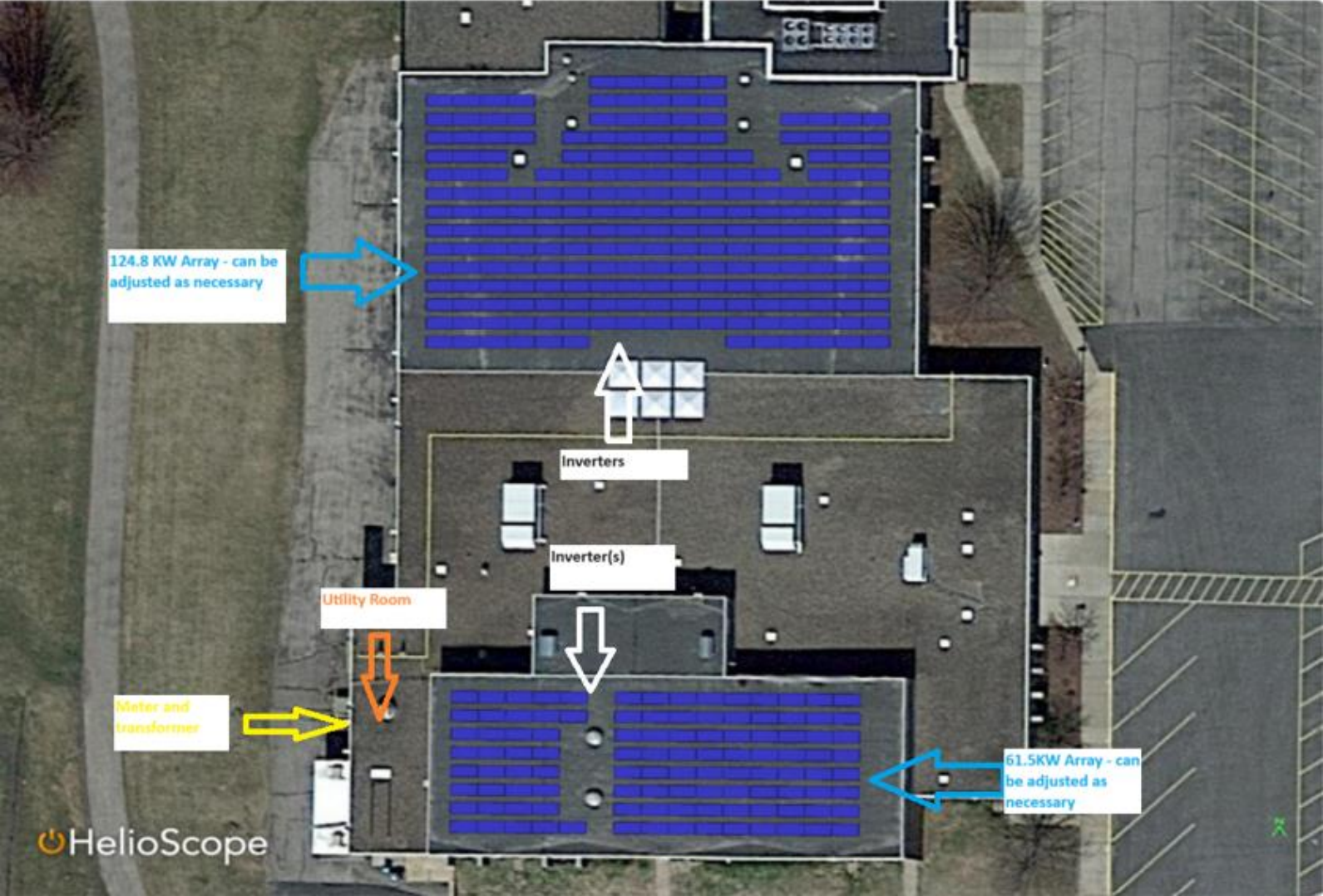
<u>Manufacturer/Model</u>	<u>Quantity</u>
VSUN 575 watt bi-facial	324

10. Expected Inverter(s):

<u>Manufacturer/Model</u>	<u>Quantity</u>
SMA Sunny Tripower 50KW 3phase string inverter	3

Includes:	<p><input checked="" type="checkbox"/> Design, engineering, permitting, installation, monitoring, rebate application, roof structural engineering analysis, removal of any ballast rock in project area, and paperwork processing of the System.</p> <p><input checked="" type="checkbox"/> Limited Warranty.</p> <p><input checked="" type="checkbox"/> Any like substantive equipment, in the sole discretion of the Seller.</p> <p><input checked="" type="checkbox"/> State or Utility Rebate, if any. Describe: <u>Solar for Schools Grant</u></p>
Excludes:	<p>Unforeseen groundwork (including, but not limited to, excavation/circumvention of underground obstacles), any necessary concrete footings, upgrades or repair to the Facility or utility electrical infrastructure including transformer upgrades, tree removal, or tree trimming.</p>

(Exhibit B Continued) Project Area and Point of Interconnection



(Exhibit B Continued) 30 Year Estimated Cash Flow Analysis

PV Degradation Rate	0.45%	Energy Cost Escalation Rate	3.0%	Federal Income Tax Rate	0.0%
State Income Tax Rate	0.0%	Interest Rate	5.75%	Total Project Cost	\$389,367
Upfront Payment	\$311,494	Loan Term	5 Years		

Years	Financing Payments	O&M / Equipment Replacement	Decommissioning Costs	Incentive Amount	30% Direct Pay	Electric Bill Savings	Total Cash Flow	Cumulative Cash Flow
Upfront	-\$311,494	-	-	\$194,684	-	-	-\$116,810	-\$116,810
1	-\$17,958	-	-	-	\$116,810	\$15,707	\$114,559	-\$2,251
2	-\$17,958	-	-	-	-	\$16,105	-\$1,852	-\$4,103
3	-\$17,958	-	-	-	-	\$16,513	-\$1,444	-\$5,547
4	-\$17,958	-	-	-	-	\$16,932	-\$1,026	-\$6,573
5	-\$17,958	-	-	-	-	\$17,360	-\$598	-\$7,171
6	-	-	-	-	-	\$17,799	\$17,799	\$10,628
7	-	-	-	-	-	\$18,248	\$18,248	\$28,877
8	-	-	-	-	-	\$18,709	\$18,709	\$47,586
9	-	-	-	-	-	\$19,181	\$19,181	\$66,766
10	-	-	-	-	-	\$19,664	\$19,664	\$86,430
11	-	-	-	-	-	\$20,159	\$20,159	\$106,589
12	-	-	-	-	-	\$20,666	\$20,666	\$127,255
13	-	-	-	-	-	\$21,185	\$21,185	\$148,440
14	-	-	-	-	-	\$21,717	\$21,717	\$170,157
15	-	-	-	-	-	\$22,261	\$22,261	\$192,418
16	-	-\$18,000	-	-	-	\$22,819	\$4,819	\$197,237
17	-	-	-	-	-	\$23,390	\$23,390	\$220,627
18	-	-	-	-	-	\$23,975	\$23,975	\$244,602
19	-	-	-	-	-	\$24,574	\$24,574	\$269,176
20	-	-	-	-	-	\$25,187	\$25,187	\$294,364
21	-	-	-	-	-	\$25,815	\$25,815	\$320,179
22	-	-	-	-	-	\$26,458	\$26,458	\$346,637
23	-	-	-	-	-	\$27,117	\$27,117	\$373,753
24	-	-	-	-	-	\$27,791	\$27,791	\$401,544
25	-	-	-	-	-	\$28,481	\$28,481	\$430,025
26	-	-	-	-	-	\$29,187	\$29,187	\$459,212
27	-	-	-	-	-	\$29,910	\$29,910	\$489,122
28	-	-	-	-	-	\$30,650	\$30,650	\$519,772
29	-	-	-	-	-	\$31,408	\$31,408	\$551,180
30	-	-	-\$42,000	-	-	\$32,184	-\$9,816	\$541,364

- Inverter replacement estimated in year 15
- System decommissioning, removal, and recycling costs estimated in year 30