



July 24, 2019

Mahtomedi Public Schools
1520 Mahtomedi Ave
Mahtomedi, MN 55115

Re: Community Solar Garden Subscription

This Letter of Intent ("LOI") sets forth the preliminary terms and conditions of New Energy Equity, LLC's ("NEE") proposed installation of, and Mahtomedi Public Schools, ("Subscriber"), purchase of a subscription to purchase solar array generated electricity, herein a "Subscription", in one or more Community Solar Garden Projects located throughout the State of Minnesota herein the "Transaction". For the purposes of this LOI, NEE and Subscriber may collectively be referred to as the "Parties" or individually referred to as a "Party".

1. Transaction Description and Assumptions

NEE has made the following assumptions for the purpose of evaluating the viability of the Transaction whereby NEE will pay for the installation and serve as the financier and long term owner of the Transaction and Subscriber will purchase electricity in accordance with the terms outlined below. The following is a list of information provided and/or assumptions made by NEE as of the date of this LOI:

- I. Total Subscription: 4,002,000 kWh per year
- II. Power Purchase Agreement (PPA) Energy price: \$.0906 / kWh
- III. PPA Yearly Escalator: 2.27%
- IV. PPA Term: 25 Years

The Subscriber has made the following assumptions for the purpose of evaluating the viability of the Transaction whereby the Subscriber will purchase electricity from Community Solar Garden Transaction under a Power Purchase Agreement as outlined in the terms below. The following is a list of information provided and/or assumptions made as of the date of this LOI:

- I. Total Subscription: 4,002,000 kWh per year
- II. Power Purchase Agreement (PPA) Energy price: \$.0906 / kWh
- III. PPA Yearly Escalator: Fixed \$0.007 / kWh below Xcel solar garden credit
- IV. PPA Term: 25 Years
- V. Xcel Year 1 Community Solar Garden Credit: \$.0976/ kWh
- VI. Construction Completion: December 31, 2020. Construction of the Transaction will be completed by Innovative Power Systems, Inc. and their designated subcontractors.



2. Transaction Diligence and Conditions

During the term of this LOI, NEE shall assess various additional diligence items as it relates to construction viability and NEE's requirements for the financing of the Transaction. Successful completion of the Transaction will be dependent on the satisfactory review/completion of the following items:

- I. Due diligence and approval of the financial condition of Subscriber;
- II. Successful negotiation of a Subscription Agreement between NEE and Subscriber, approval of the agreement by the school board of Subscriber, and full execution of the Subscription Agreement.
- III. Final approval of the Transaction by NEE's financing partners.

3. Non-Binding

NEE and Subscriber acknowledge that this letter of intent is intended to set out the fundamental terms that will serve as a basis for efforts to negotiate a binding Subscription Agreement. This letter of intent itself creates no obligation on either party to enter a Subscription Agreement, and both parties understand and assume the risk that a mutually-acceptable Subscription Agreement may not be reached by the parties.

New Energy Equity, LLC

Matthew Hankey, President & CEO

Agreed to and Accepted, as of (date) _____, by:

Mahtomedi Public Schools

Signature _____

Name _____

Title _____