



CITY OF NEWPORT  
2060 1<sup>ST</sup> Avenue  
Newport, MN 55055  
(651) 459-5677  
ci.newport.mn.us

MAYOR: Laurie Elliott  
COUNCIL: Kevin Chapdelaine  
Tom Ingemann  
Marvin Taylor  
Rozlyn Johnson

City Administrator:  
Supt. of Public Works: Matt Yokiell  
Fire Chief: Steven Wiley  
Asst. to the City Admin: Travis Brierley  
Law Enforcement (WCSO): Bill Harrell

**CITY COUNCIL AGENDA  
November 3, 2022- 5:30 PM**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. ADOPT AGENDA
5. PUBLIC COMMENTS - Visitors may share their concerns with the City Council on any issue, which is not already on the agenda, under Public Comments. Please give your name, address and your concern or comments. Each person will have 3 minutes to speak. Your comments must be addressed exclusively to the Mayor and City Council, not to any individual Council or staff member. The Mayor reserves the right to limit an individual's presentation if it becomes redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the Council. No action will be taken at this time.
6. ADOPT CONSENT AGENDA – All items listed under this section are considered routine and non-controversial by the Council and will be approved by a single motion. An item may be removed from the consent agenda and discussed if a Council member, staff member, or citizen so requests.
  - A. Minutes- October 6, 2022 Council Workshop
  - B. Minutes- October 20, 2022 Regular Council
  - C. List of Bills- \$164,429.10
7. WASHINGTON COUNTY SHERIFF'S OFFICE REPORT
8. FIRE CHIEF'S REPORT
9. ENGINEER'S REPORT
10. SUPERINTENDENT OF PUBLIC WORKS REPORT
  - A. Watermain Material Quotes
11. ADMINISTRATION REPORT
  - A. Solar Contract City Hall and Public Safety Building
12. MAYOR AND COUNCIL REPORTS

13. POTENTIALLY CLOSED MEETING

(Meeting closed pursuant to the Attorney-Client Privilege under Minn. Stat. 13D.05, Subd. 3 (b), to discuss 1545 7<sup>th</sup> Ave and Ground Storage Tank #3.)

14. ADJOURNMENT



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## **COUNCIL WORKSHOP MINUTES**

### **October 6, 2022**

#### **1. CALL TO ORDER**

Mayor Elliott called the City Council Workshop to order at 6:40 p.m. on October 6, 2022.

#### **2. ROLL CALL**

Present (4): Mayor Laurie Elliott, Council Member Kevin Chapdelaine, Council Member Tom Ingemann, and Council Member Marvin Taylor.

Not Present (1): Council Member Rozlyn Johnson.

#### **3. LAW ENFORCEMENT PRESENTATION**

Washington County Sheriff's Deputy Sergeant Bill Harrell gave a Law Enforcement Presentation to Council. Sergeant Harrell covered a wide variety of topics including investigations, body cam procedures, drones, K9 units, task force teams, pursuits, use of force reporting, and community engagements. Sergeant Harrell stated he expects his team is to treat people like they would want their loved ones to be treated.

#### **4. DOG PARK**

Superintendent of Public Works Matt Yokiell gave Council a brief update on a potential dog park. Superintendent Yokiell stated they initially had a discussion with Marathon Refinery about a potential dog park at the south end of 10<sup>th</sup> Avenue. They have since met with Marathon and discussed a different location which would be on 5<sup>th</sup> Avenue and 2<sup>nd</sup> Street. The dog park would be approximately five acres in size. Most dog parks have a fenced in smaller area for little dogs. The next step is to get a quote for fencing. From there we could discuss if Marathon could help with a joint effort. Mayor Elliott stated the dog park was the second priority that came out of the parks survey.

#### **5. DISPLAY CASES**

Mayor Elliott stated we have several display cases in the new building. The Heritage Preservation Commission (HPC) can use the display case near the Council Chambers. The Fire Department can use the display case in the training room. The Police Department can be used the far-right section of the main entrance display case closest to the police area. Mayor Elliott inquired if Council would be interested in offering up the two remaining sections of the main entrance display case to local artists. Local artists could display their pottery, paintings, glass work, etc. Staff should work with the City Attorney to create a waiver. Mayor Elliott stated we would allow one artist at a time to display/sell their art.

#### **6. FUTURE MEETING AGENDA ITEMS**

Assistant Brierley stated future meeting agenda items include the CIP Budget, City Hall Open House, and THC discussion.

## 7. ADJOURNMENT

Mayor Elliott adjourned the City Council Workshop at 7:45 p.m. on October 6, 2022

Respectfully submitted:  
Jill Thiesfeld,  
Administrative Assistant II

Signed: \_\_\_\_\_  
Laurie Elliott, Mayor



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## CITY COUNCIL MEETING MINUTES October 20, 2022

### 1. CALL TO ORDER

Mayor Elliott called the City Council Meeting to order at 5:30 p.m. on October 20, 2022.

### 2. PLEDGE OF ALLEGIANCE

### 3. ROLL CALL

Present (4): Mayor Laurie Elliott, Council Member Kevin Chapdelaine, Council Member Tom Ingemann, and Council Member Marvin Taylor.

Not Present (1): Council Member Rozlyn Johnson.

### 4. ADOPT AGENDA

Member Chapdelaine motioned to adopt the agenda. Seconded by Member Ingemann. Approved 4-0.

### 5. PUBLIC COMMENTS

Bill Sumner, residing at 737 21<sup>st</sup> Street, addressed the Council. Mr. Sumner stated the Heritage Preservation Commission (HPC) met on October 12<sup>th</sup> and he summarized the Certified Local Government annual report. On Thursday, October 13<sup>th</sup> several members of the HPC visited the site of Wasioja, Minnesota. They stopped and had a tour with several members of their local HPC.

### 6. ADOPT CONSENT AGENDA

- A. Minutes- September 15, 2022 Council Workshop
- B. Minutes- October 6, 2022 Regular Council
- C. Minutes- HPC August 10, 2022
- D. Gambling Application- CG Ducks Unlimited
- E. List of Bills- \$541,890.70
- F. Financial Statement- September 2022

Member Ingemann motioned to adopt the Consent Agenda. Seconded by Member Chapdelaine. Approved 4-0.

### 7. WASHINGTON COUNTY SHERIFF'S OFFICE REPORT

No formal report.

### 8. FIRE CHIEF'S REPORT

Fire Chief Steve Wiley updated Council on their fire prevention activities from last Friday. Chief Wiley stated they had six firefighters at Newport Elementary during the day talking to the kids about escape plans and the fire prevention theme. Friday evening, they had an open house at the new Fire Station. There was great interaction between Newport firefighters, our equipment, and our residents. Chief Wiley stated it was an impressive turn out despite the cold and rainy weather.

## 9. ENGINEER'S REPORT

No formal report.

## 10. SUPERINTENDENT OF PUBLIC WORKS REPORT

### A. H&U Pay Request- \$66,159.57

Superintendent of Public Works Matt Yokiell stated we have Pay Request No. 21 from H+U for \$66,159.57. Most of this is labor as they go through the punch list items. Superintendent Yokiell did a walk through with H+U and Brunton to update the punch list items.

Member Chapdelaine inquired when we will know how well we did based on our budget. Assistant to the City Administrator Travis Brierley stated we will be close to budget. A lot depends on the final punch list items and the issue the building had with the concrete. We should have a better estimate in the spring.

Member Ingemann motioned to approve Pay Request No. 21 in the amount of \$66,159.57 for H+U. Seconded by Member Chapdelaine. Approved 4-0.

Superintendent Yokiell stated he had additional updates for Council. Due to the vehicle accident with the new City Hall building they are in the process of getting quotes for repairs. The flag poles are a month out. An Engineer came out and found only superficial damage to the building, so that is good news. If we feel the need, we can get a scan completed, but he is waiting for more information. Superintendent Yokiell stated Century Avenue between 65<sup>th</sup> and Glen will be closed starting on Wednesday, October 26<sup>th</sup> to complete the utility installation from Cottage Grove to the City boundary. It will be closed for one week. Superintendent Yokiell stated we are getting closer to the finish line with the Bailey Meadows development as the final paving has taken place. The restoration project is still going for the library and next week the contractor will be working full time on the windows and doors to try and beat the weather.

## 11. ADMINISTRATION REPORT

### A. Resolution No 2022-41- State Mitigation Funding

Assistant Brierley stated we have a resolution for State Mitigation Funding specifically for the DNR. This resolution allows Assistant Brierley to have signature authority so we can continue forward in the process to purchase the home and deal with the levy along Century. Member Ingemann inquired if we have FEMA money as well. Assistant Brierley stated that FEME was initially going to cover 75% of the cost and now they are going to cover 90%. The DNR will cover 50% of our cost.

Member Ingemann motioned to adopt Resolution No. 2022-41 – State Mitigation Funding. Seconded by Member Chapdelaine. Approved 4-0.

### B. Recognition of Staff for Service

1. David Castillo, Seasonal- 35 Years
2. Todd Tokar, Fire Captain- 25 Years
3. Dean Swearingen, Maintenance Operator- 20 Years
4. Derek Marson, Assistant Fire Chief- 20 Years
5. Pat Joyce, Fire Captain- 10 Years
6. Carol Peterson, Seasonal- 10 Years
7. Marvin Taylor, Firefighter- 5 Years
8. Sara-Marie Malewitz, NLCC Coordinator- 5 Years
9. Randy Kotasek, Maintenance Operator- 5 Years
10. Travis Brierley, Assistant to the City Administrator- 5 Years

Mayor Elliott and Council recognized employees who have reached years of service milestones with the city. Mayor Elliott stated it takes many different professions to make a city run well and wanted to thank all of them for their service to the community and our organization.

## 12. MAYOR AND COUNCIL REPORTS

Mayor Elliott reminded residents that on October 29<sup>th</sup> we have Buckthorn removal day at Bailey School Forest from 9:00-noon. Mayor Elliott stated she went on a ride-along on Monday with Sergeant Harrell. Mayor Elliott stated we will have an open house here at City Hall on November 16<sup>th</sup> from 2:00 – 6:00 p.m. This will be a chance to meet our new City Administrator and tour the building. This event is open to the public and there will be a ribbon cutting at 2:00 p.m.

Member Ingemann reminded residents that November 8<sup>th</sup> is election day so come out and vote.

Member Chapdelaine stated on Wednesday, November 2<sup>nd</sup>, from 4:30 – 6:00 p.m. is the recognition ceremony for the Heritage Preservation Commission for their 30-year anniversary. Bev Bartl and Jo Bailey are both 30-year members, so they are founding members of this board.

## 13. ADJOURNMENT

Member Chapdelaine motioned to adjourn the City Council Meeting. Seconded by Member Ingemann. Approved 4-0.

The City Council Meeting was adjourned at 5:55 p.m. on October 20, 2022.

Respectfully submitted:  
Jill Thiesfeld,  
Administrative Assistant II

Signed: \_\_\_\_\_  
Laurie Elliott, Mayor

Recurring

2028e	UNITED STATES TREASURY	20-Oct-22	\$7,507.42	SS, Federal and Medicare
2029e	MN REVENUE	20-Oct-22	\$1,267.36	State taxes
2030e	MSRS	20-Oct-22	\$3,383.95	HCSP & voluntary retirement
2031e	WEX HEALTH	20-Oct-22	\$574.79	HSPA
2032e	COMCAST	27-Oct-22	\$362.98	Library Internet & cable-two months
2033e	UNUM	27-Oct-22	\$329.60	Life and long-term diability insurance
2034e	WEX BANK	27-Oct-22	\$1,506.88	Petrol
25034	ANCHOR SOLAR INVESTMENTS, LL	20-Oct-22	\$372.26	Solar leasing
25035	ATOMIC DATA, LLC	20-Oct-22	\$1,279.92	Monthly IT support
25036	H & U CONSTRUCTION	20-Oct-22	\$66,159.57	City hall/public safety pay application #21
25037	PERA	20-Oct-22	\$4,382.30	Retirement
25039	VERIZON	20-Oct-22	\$269.94	Cell phones and hot spots
25040	XCEL ENERGY	20-Oct-22	\$2,904.46	Electricity and natural gas
25041	TRAVIS BRIERLEY	27-Oct-22	\$110.75	Mileage reimbursement
25042	MARCO TECHNOLOGY LLC	27-Oct-22	\$268.70	Copier contract
25043	MCDOWALL COMPANY	27-Oct-22	\$5,107.60	Reimburse overpayment for permit
25044	NCPERS GROUP LIFE INS.	27-Oct-22	\$16.00	Adtd. Life insurance
25045	DEB SCHULZ	27-Oct-22	\$73.02	Mileage and purchase reimbursement
25046	XCEL ENERGY	27-Oct-22	\$11,104.88	Natural gas and electricity
	Staff		\$18,388.20	

Non-reucrring

25038	PINE BEND PAVING	20-Oct-22	\$8,343.00	12th & 12th Street Project
25052	A-1 HYDRAULIC SALES & SERVICE	03-Nov-22	\$126.77	Plow truck fittings (hydraulic)
25053	AESOPS TABLE	03-Nov-22	\$338.94	Food for HPC 30th Anniversary
25054	BATTERIES PLUS	03-Nov-22	\$66.00	Fire batteries
25055	BAUER BUILT, INC	03-Nov-22	\$630.24	Tires 0923
25056	BOLTON & MENK, INC.	03-Nov-22	\$2,897.50	City planning
25057	BURGGRAFS ACE	03-Nov-22	\$554.93	Supplies
25058	CENTURY COLLEGE	03-Nov-22	\$875.00	Quarter 4 CEU program
25059	CINTAS	03-Nov-22	\$124.51	Medical supplies
25060	CITY OF COTTAGE GROVE	03-Nov-22	\$7,921.30	Building permits and reive Quarter 3-2022
25061	GERLACH OUTDOOR POWER EQUI	03-Nov-22	\$269.83	Mower parts
25062	HAWKINS	03-Nov-22	\$1,935.94	Water chemicals
25063	HEALTHPARTNERS	03-Nov-22	\$1,361.00	PreEmployment Exam-2 fire fighters
25064	KREMER SERVICES, LLC	03-Nov-22	\$644.84	DOT inspection
25065	LUBE TECH ESI	03-Nov-22	\$165.00	Used oil/filters pickup
25066	MENARDS - COTTAGE GROVE	03-Nov-22	\$670.93	Fire Hall racking and concrete raising
25067	MINUTEMAN PRESS	03-Nov-22	\$127.12	Business cards
25068	PREVOLV	03-Nov-22	\$3,584.88	Confernce room table
25069	REVIZE LLC	03-Nov-22	\$2,400.00	Website hosting
25070	SPARTAN PROMOTIONAL GROUP	03-Nov-22	\$769.63	Fire open house handouts
25071	TOWMASTER	03-Nov-22	\$265.45	Plow truck parts
25072	WASHINGTON CONSERVATION DIS	03-Nov-22	\$185.71	3rd Quarter shared educator
25073	CITY OF WEST ST. PAUL	03-Nov-22	\$4,800.00	Inspection of sewer lines
			\$164,429.10	



# MSA Engineer's Report

**To:** Honorable Mayor and City Council Members  
**From:** Jon Herdegen, P.E. – City Engineer  
**Subject:** 21<sup>st</sup> Street Watermain Improvements  
**Date:** October 28, 2022 – For the November 3<sup>rd</sup> City Council Meeting

MSA is 90% complete with the plans and specifications for the 21<sup>st</sup> Street Watermain Improvements project. As you know, these improvements will be conducted in conjunction with the County Road 38 Multi-Use Trail project that Washington County plans to complete in 2023. We are currently working with the County and their consultant to incorporate the City improvements into the County's bidding documents. We expect this project to bid later this fall.

In an effort to reduce the likelihood of construction delays due to supply chain issues, Washington County has requested that the City purchase watermain and associated materials in advance for the project. There is an added benefit of a sales tax savings as municipalities are exempt from sales tax (contractors are not and will pass that cost along to the City through their unit prices on normal projects). We estimate the total cost of the materials to over \$50,000 so staff solicited quotes from local suppliers for the materials. A summary of the quotes received is provided below along with detailed breakdowns attached:

Ferguson Waterworks.....	\$42,523.00
Core & Main .....	\$45,523.11
Plant and Flanged Equipment Company .....	\$49,937.05

**Action Requested:** We respectfully request Council accept the materials quote from Ferguson Waterworks in the amount of \$42,523.00 for the material associated with the 21st Street Watermain Improvement project.

Attachments: Material Quotes

<b>Deliver To:</b> <b>From:</b> Blake Swenson <b>Comments:</b>
--

FERGUSON WATERWORKS #2518  
Price Quotation  
Phone: 763-560-5200  
Fax: 763-560-1799

**Bid No:** B150641  
**Bid Date:** 10/26/22  
**Quoted By:** BAS

**Cust Phone:** 651-459-5677  
**Terms:** NET 10TH PROX

**Customer:** CITY OF NEWPORT  
596 7TH AVE  
NEWPORT, MN 55055

**Ship To:** CITY OF NEWPORT  
596 7TH AVE  
NEWPORT, MN 55055

**Cust PO#:**

**Job Name:** WATERMAIN IMPROVEMEN

Item	Description	Quantity	Net Price	UM	Total
AFC2506MMLAOL	GATE VLV, ADAPT, ACESSOR	8	1049.670	EA	8397.36
E2006PV	6 DI MJ RW OL GATE VLV L/A	16	46.590	EA	745.44
MJGAU	6 MEGALUG F/ C900/IPS PVC	16	3.570	EA	57.12
DMJTHBNFNAIS	6 MJ GSKT	96	3.210	EA	308.16
SP-TDOMVB	3/4X3-1/2 MJ T-BLT & NUT DOM AIS	8	436.000	EA	3488.00
EAFVCVBA6BASE6	DOM TYLER 3 PC G VALVE BOX	8	96.010	EA	768.08
	6 VLV BX ADPT #6 SPIDER *X				
	-----				
FB22444MNL	CURB STOP AND BOX	3	142.250	EA	426.75
M5614X	LF 1 BALL CURB ST FLR X FLR	3	58.390	EA	175.17
M566072	1-1/4 X 8 X 1-1/2 MINN CURB BX	3	17.380	EA	52.14
	72 STNRY ROD				
	-----				
S37200069009000	CORPORATION STOP & ACESS	3	81.760	EA	245.28
FFB6004NL	6X1 CC DBL STUD SDL 6.63-6.90	3	83.540	EA	250.62
	LF 1 CC X FLR BALL CORP				
	-----				
KSOFTG100	1 TYPE K COPPER TUBE	100	816.310	C	816.31
	1X100 K SOFT COP TUBE				
	-----				
WWB67LAOLXU16BRED	HYDRANT	1	4765.150	EA	4765.15
E2006PV	HYD 8'6 OL 16B RED 7532/40524	1	46.590	EA	46.59
MJGAU	6 MEGALUG F/ C900/IPS PVC	1	3.570	EA	3.57
DCBTBNFNAIS	6 MJ GSKT	6	5.810	EA	34.86
	3/4X3-1/2 CORE BLU MJ T- N&B AIS				
	-----				
DR18BPU	C900 PIPE	1020	13.280	FT	13545.60
	6 C900 DR18 PVC GJ BLUE PIPE				
	-----				
TW12SLD45BL500	TRACER WIRE	1500	276.790	M	415.19
K90220EA	12GA SLD COP PE45 WIRE BLUE 500	1	12.050	EA	12.05
	DRYCON AQUA WP LUG EACH *X				
	-----				
DMJ4LAU	DOM FITTINGS	12	125.740	EA	1508.88
DMJLSLAU	DOM 6 MJ C153 45 BEND L/A	5	95.150	EA	475.75
	DOM 6X12 MJ C153 LONG SLV L/A				



**HOW ARE WE DOING? WE WANT YOUR FEEDBACK!**

Scan the QR code or use the link below to complete a survey about your bids:

<https://survey.medallia.com/?bidsorder&fc=2518&on=24713>

Fax: 763-560-1799

10:16:07 OCT 28 2022

Reference No: B150641

Item	Description	Quantity	Net Price	UM	Total
DMJTLAU	DOM 6 MJ C153 TEE L/A	5	223.480	EA	1117.40
E2006PV	6 MEGALUG F/ C900/IPS PVC	49	46.590	EA	2282.91
MJGAU	6 MJ GSKT	49	3.570	EA	174.93
DCBTBNFNAIS	3/4X3-1/2 CORE BLU MJ T- N&B AIS	294	5.810	EA	1708.14
-----					
SDR26HWSPP14	SEWER PIPE 4X14 SDR26 HW PVC GJ SWR PIPE	84	4.150	FT	348.60
-----					
I4IPS8CL	INSERTA TEE 4X8 IPS CLAY INSERTA TEE	3	117.650	EA	352.95
<b>Net Total:</b>					\$42523.00
<b>Tax:</b>					\$0.00
<b>Freight:</b>					\$0.00
<b>Total:</b>					\$42523.00

Quoted prices are based upon receipt of the total quantity for immediate shipment (48 hours). SHIPMENTS BEYOND 48 HOURS SHALL BE AT THE PRICE IN EFFECT AT TIME OF SHIPMENT UNLESS NOTED OTHERWISE. QUOTES FOR PRODUCTS SHIPPED FOR RESALE ARE NOT FIRM UNLESS NOTED OTHERWISE.

CONTACT YOUR SALES REPRESENTATIVE IMMEDIATELY FOR ASSISTANCE WITH DBE/MBE/WBE/SMALL BUSINESS REQUIREMENTS.

Seller not responsible for delays, lack of product or increase of pricing due to causes beyond our control, and/or based upon Local, State and Federal laws governing type of products that can be sold or put into commerce. This Quote is offered contingent upon the Buyer's acceptance of Seller's terms and conditions, which are incorporated by reference and found either following this document, or on the web at <https://www.ferguson.com/content/website-info/terms-of-sale>  
Govt Buyers: All items are open market unless noted otherwise.

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with \*NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.  
COVID-19 ORDER: ANY REFERENCE TO OR INCORPORATION OF EXECUTIVE ORDER 14042 AND/OR THE EO-IMPLEMENTING FEDERAL CLAUSES (FAR 52.223-99 AND/OR DFARS 252.223-7999) IS EXPRESSLY REJECTED BY SELLER AND SHALL NOT APPLY AS SELLER IS A MATERIALS SUPPLIER AND THEREFORE EXEMPT UNDER THE EXECUTIVE ORDER.



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<https://survey.medallia.com/?bidsorder&fc=2518&on=24713>



Bid Proposal for Newport 21st Street Watermain Replacement

**NEWPORT CITY HALL**  
**Job Location:** Newport, MN  
**Engineer:** MSA  
**Bid Date:** 10/10/2022  
**Core & Main** 2595746

**Core & Main**  
 5145 211th Street West  
 Farmington, MN 55024  
**Phone:** 651-463-6090  
**Fax:** 651-463-4554

Seq#	Qty	Description	Units	Price	Ext Price
<b>DUE TO CURRENT SUPPLY CHAIN DISRUPTIONS, MATERIALS ARE SUBJECT TO PRICING AT TIME OF SHIPMENT. MATERIAL AVAILABILITY AND TIMELINESS OF SHIPMENTS CANNOT BE GUARANTEED. THIS TERM SUPERSEDES ALL OTHER CONTRACTUAL PROVISIONS.</b>					
20		<b>PROJECT PLANS DATED 8/9/22</b>			
50		<b>PVC WATERMAIN</b>			
70		<b>6" GATE VALVE &amp; BOX</b>			
80	8	6 MJ RW GATE VLV OL	EA	1,075.00	8,600.00
90	8	"G" VALVE BOX COMPONENT IMPORT	EA	320.00	2,560.00
150	8	6 ADAPTER RW GATE VALVE	EA	96.90	775.20
<del>160</del>	<del>8</del>	<del>7" ADJ VALVE EXT STEM 2PC</del>	<del>EA</del>	<del>135.00</del>	<del>1,080.00</del>
170	16	6" RG-PVC-D ROMAGRIP ONLY PVC PIPE RESTRAINT FITS IPS AND C900 OD PVC (RED)	EA	51.23	819.68
180	16	6 MJ REGULAR GASKET F/DI	EA	9.00	144.00
190	96	3/4X3-1/2 MJ T-HEAD B&N 304SS	EA	6.32	606.72
<b>SUBTOTAL (Based On 8EA)</b>					<b>14,585.60</b>
210		<b>CURB STOP &amp; BOX</b>			
220	3	76104 1 BALL CURB FLRXFL NO LEAD	EA	151.79	455.37
230	3	5614A 8'0" AIS MP CURB BOX	EA	80.08	240.24
240	3	66 CB STATIONARY ROD	EA	22.34	67.02
<b>SUBTOTAL (Based On 3EA)</b>					<b>762.63</b>
260		<b>CORPORATION STOP</b>			
270	3	372-069009-000 6X1CC SADDLE ALL SS, DOUBLE STUD 6.63-6.90	EA	98.13	294.39
280	3	74701B 1 BALL CORP STOP NL CCXFLR NO LEAD	EA	92.56	277.68
<b>SUBTOTAL (Based On 3EA)</b>					<b>572.07</b>
300		<b>HYDRANT</b>			
310	1	8'6" WB67 DDP HYDT 16" BO	EA	4,425.00	4,425.00
320	1	5FT HYDRAFINDER FLAG/HYD MARKR	EA	24.22	24.22
330	1	66 TRACE WIRE TEST STATION W/2 INT TERMINALS & DECALS	EA	31.95	31.95
340	1	6" RG-PVC-D ROMAGRIP ONLY PVC PIPE RESTRAINT FITS IPS AND C900 OD PVC (RED)	EA	51.23	51.23
350	1	6 MJ REGULAR GASKET F/DI	EA	9.00	9.00
360	6	3/4X3-1/2 MJ T-HEAD B&N 304SS	EA	6.32	37.92
<b>SUBTOTAL</b>					<b>4,579.32</b>
380		<b>6" PVC WATERMAIN</b>			



## Bid Proposal for Newport 21st Street Watermain Replacement

Bid #: 2595746

Seq#	Qty	Description	Units	Price	Ext Price
390	1020	6 PVC C900 DR18 PIPE (G) 20' PC235	FT	14.49	14,779.80
400	1020	12GA HS DIRECT BURY WIRE-BLUE 500' PE30 JACKET	FT	0.20	204.00
<b>SUBTOTAL (Based On 1020LF)</b>					<b>14,983.80</b>
420		<b>COPPER WATER SERVICE</b>			
430	90	1 SOFT K COPPER TUBE 100'	FT	8.50	765.00
450		<b>WATERMAIN FITTINGS</b>			
460	12	6 MJ 45 C153 USA	EA	143.00	1,716.00
470	24	6" RG-PVC-D ROMAGRIP ONLY PVC PIPE RESTRAINT FITS IPS AND C900 OD PVC (RED)	EA	51.23	1,229.52
480	24	6 MJ REGULAR GASKET F/DI	EA	9.00	216.00
490	144	3/4X3-1/2 MJ T-HEAD B&N 304SS	EA	6.32	910.08
<b>SUBTOTAL (Based On 12EA)</b>					<b>4,071.60</b>
510	5	6 MJ L/P SLV C153 USA	EA	152.84	764.20
520	10	6" RG-PVC-D ROMAGRIP ONLY PVC PIPE RESTRAINT FITS IPS AND C900 OD PVC (RED)	EA	51.23	512.30
530	10	6 MJ REGULAR GASKET F/DI	EA	9.00	90.00
540	60	3/4X3-1/2 MJ T-HEAD B&N 304SS	EA	6.32	379.20
<b>SUBTOTAL (Based On 5EA)</b>					<b>1,745.70</b>
560	5	6 MJ TEE C153 USA	EA	250.25	1,251.25
570	15	6" RG-PVC-D ROMAGRIP ONLY PVC PIPE RESTRAINT FITS IPS AND C900 OD PVC (RED)	EA	51.23	768.45
580	15	6 MJ REGULAR GASKET F/DI	EA	9.00	135.00
590	90	3/4X3-1/2 MJ T-HEAD B&N 304SS	EA	6.32	568.80
<b>SUBTOTAL (Based On 5EA)</b>					<b>2,723.50</b>
610		<b>SANITARY SEWER SERVICE PIPE</b>			
620	84	4 PVC SDR26 HW SWR PIPE (G) 14'	FT	3.84	322.56
640		<b>INSERTA TEE</b>			
650	3	INSERTA TEE 4 SDR35/8 CLAY DUAL RATED SDR35/SDR26 4P26FB8CL	EA	103.32	309.96
660	3	4 HW SWR SDR26 45 GXG	EA	30.83	92.49
670	3	4 PVC SDR35 SWR CAP HUB SW SOLVENT WELD (GLUE)	EA	2.96	8.88
<b>SUBTOTAL (Based On 3EA)</b>					<b>411.33</b>
<b>PVC WATERMAIN SUBTOTAL</b>					<b>45,523.11</b>
700		<b>INCIDENTALS AS REQUIRED</b>			
710	0	KSP 10666 KING WIRE CONNECTOR	EA	2.41	0.00
720	0	SNAKEBITE 3W LOCK CONN 12G CLEAR LCS1230C	EA	8.12	0.00
730	0	ANTI-SEIZE 16OZ AEROSOL SPRAY #S00620	EA	25.34	0.00
740	0	3/4 304SS ALL THREAD ROD BLUE DOT	FT	7.00	0.00
750	0	3/4X4-1/2 304SS 90 EYE BOLT	EA	7.07	0.00
760	0	BITUMINOUS COAL TAR SPRAY	EA	8.50	0.00
770	0	1-1/2"X10" CONDUCTIVITY STRAP	EA	8.43	0.00
780	0	1-1/2"X24" CONDUCTIVITY STRAP	EA	14.88	0.00
790	0	IGNITOR WELD MOLD	EA	78.61	0.00
800	0	CA32-XF19 CADWELD CHARG W/DISC 32 GRAM CADWELD SHOT	EA	9.93	0.00
810	0	5# BOTTLE HTH CHLORINE-TABS	EA	27.50	0.00
820	0	5# BOTTLE HTH CHLORINE GRAN	EA	27.50	0.00



Bid Proposal for Newport 21st Street Watermain Replacement

Bid #: 2595746

Seq#	Qty	Description	Units	Price	Ext Price
				<b>Sub Total</b>	<b>45,523.11</b>
				<b>Tax</b>	0.00
				<b>Total</b>	<del><b>45,523.11</b></del>

**\$44,443.11**

UNLESS OTHERWISE SPECIFIED HEREIN, PRICES QUOTED ARE VALID IF ACCEPTED BY CUSTOMER AND PRODUCTS ARE RELEASED BY CUSTOMER FOR MANUFACTURE WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THIS QUOTATION. CORE & MAIN LP RESERVES THE RIGHT TO INCREASE PRICES TO ADDRESS FACTORS, INCLUDING BUT NOT LIMITED TO, GOVERNMENT REGULATIONS, TARIFFS, TRANSPORTATION, FUEL AND RAW MATERIAL COSTS. DELIVERY WILL COMMENCE BASED UPON MANUFACTURER LEAD TIMES. ANY MATERIAL DELIVERIES DELAYED BEYOND MANUFACTURER LEAD TIMES MAY BE SUBJECT TO PRICE INCREASES AND/OR APPLICABLE STORAGE FEES. THIS BID PROPOSAL IS CONTINGENT UPON BUYER'S ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS OF SALE, AS MODIFIED FROM TIME TO TIME, WHICH CAN BE FOUND AT: <https://coreandmain.com/TandC/>



**NEWPORT, MN  
 WATER MAIN  
 OCTOBER 27TH, 2022**

	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
<b><u>INTERIOR PIPING</u></b>		
8 - 6" MJ RW GATE VALVE	\$931.10	\$7,448.80
8 - 6" GATE VALVE BOX ADAPTOR	\$105.00	\$840.00
8 - THREE PIECE VALVE BOX W/LID & STEM EXT. (MAX BURY 94")	\$395.00	\$3,160.00
16 - 6" MJ JOINT RESTRAINT ACC. PKG. W/C-BLUE T-BOLTS (PVC)	\$97.20	\$1,555.20
3 - 1" COMP X COMP CURB STOP & BOX W/STATIONARY ROD	\$298.50	\$895.50
3 - 1" MIPT X COMP CORP STOP	\$101.50	\$304.50
100 FT - 1" TYPE K SOFT COPPER	\$12.75	\$1,275.00
1 - 6" MJ HYDRANT (8'-6" BURY)	\$6,085.00	\$6,085.00
1 - 6" MJ JOINT RESTRAINT ACC. PKG. W/C-BLUE T-BOLTS (PVC)	\$97.20	\$97.20
1020 FT - 6" GSK PVC PIPE C900/DR18	\$16.75	\$17,085.00
1500 - #12 GAUGE TRACER WIRE (BLUE)	\$0.40	\$600.00
12 - 6" MJ C153 45 BEND	\$108.50	\$1,302.00
24 - 6" MJ JOINT RESTRAINT ACC. PKG. W/C-BLUE T-BOLTS (PVC)	\$97.20	\$2,332.80
5 - 6" MJ C153 LONG SLEEVE	\$121.55	\$607.75
10 - 6" MJ JOINT RESTRAINT ACC. PKG. W/C-BLUE T-BOLTS (PVC)	\$97.20	\$972.00
5 - 6" MJ C153 TEE	\$192.20	\$961.00
10 - 6" MJ JOINT RESTRAINT ACC. PKG. W/C-BLUE T-BOLTS (PVC)	\$97.20	\$972.00
84 FT - 4" GSK PVC PIPE SDR 26	\$9.95	\$835.80
3 - 4" SDR35 INDIANA SEAL FAST BRANCH TEE * * ALTERNATE TO INSERTA-TEE	\$202.50	\$607.50
1 - ESTIMATED FREIGHT	\$2,000.00	\$2,000.00

**TOTAL QUOTE: \$49,937.05**

**PLUS FREIGHT  
 FOB OUR SHOP  
MATERIALS QUOTED ARE AIS COMPLIANT**

**P & F BASES THIS PROPOSAL ON THE INVOICE SCHEDULE AS SHOWN BELOW:**  
10% UPON SUBMITTAL APPROVAL  
90% UPON SHIPMENT  
**TERMS ARE NET 30**



10101 XYLITE STREET NE  
BLAINE, MN 55449  
Phone 763-792-3870 Fax 763-792-3876

NEWPORT, MN  
Page 2 of 2

**Escalation Statement** : Due to the extreme volatility of raw material, energy and transportation costs, materials will be invoiced at market value at time of shipment.

The prices offered on the subject quotation are based on the import duties and taxes valid at the date of quotation. Plant and Flanged Equipment, LLC reserves the right to re-quote pricing should there be any impact to material cost resulting from import duties imposed under Section 301 of the Trade Act of 1974, Section 232 of the Trade Expansion Act of 1962, or any other duties, fees or taxes assessed by any governmental entity of any jurisdiction in connection with the goods and services quoted.

Prime coated fabricated items will be quoted with standard 2 - 3 mils DFT of Temec 140-1211.



## Solar Array Purchase, Facility Lease & Power Purchase Agreements

-84.870 kW DC JinkoJKM410M Solar Panels with  
 -66.60 kW AC SolarEdge SE66.6k480V(1) Inverter(s), SolarEdge P860P960 Power Optimizers & Unirac,  
 PanelClaw (or equivalent) Ballasted Racking

### Xcel Photovoltaic Credit Rider Tariff

## Customer & Site Information

Effective Date: \_\_\_\_\_ December 3, 2021 \_\_\_\_\_ [Date of City Motion/Resolution  
 Authorizing Contract]

Customer: - **City of Newport**  
 Customer Corporate Form: - Minnesota City  
 Customer Mailing Address: - 596 7th Avenue, Newport, MN 55055  
 Customer Signer Name: \_\_\_\_\_ Bruce Hanson  
 Customer Signer Title: \_\_\_\_\_ Superintendent  
 Customer Authorized Representative: - Bruce Hanson Authorized Rep Name  
 Customer Authorized Representative Tel: - 651-459-2475 Authorized Rep Tel #

Site Address: - **2060 ~~4st~~1St Avenue, Newport, MN 55055**  
 Premise Number: **Pending**  
 Site Owner: - City of Newport  
 Site Owner Mailing Address: - 596 7th Avenue, Newport, MN 55055  
 Utility: Xcel, d/b/a Northern States Power, and its successors and assigns

## Project Information

Energy System Nameplate Capacity: **84.870 kW DC** (+/- 0.50 kW DC) oriented at approximately 180°  
 Installation Cost: \_\_\_\_\_ **\$197,800.00**  
 Target Substantial Completion Date: - August 31, 2022 June 30, 2023  
 Tariff Name: - Xcel Photovoltaic Credit Rider Tariff  
 REC Owner: - Customer  
 Projected Tax Credit Percent: - 26%

Solar Panel Description: \_\_\_\_\_ JinkoJKM410M (72 cell Tier 1, CEC listed, or DNV-GL Rated Top Performer)  
 Solar Panel Size in Watts DC: - 410 (+/- 20 Watts DC)  
 Inverter Description: - SolarEdge SE66.6k480V(1) Inverter(s)  
 Total Inversion in kW AC: - **66.60 (kW AC)**  
 Power Optimizer Description: - SolarEdge P860P960 Power Optimizers  
 Solar Racking Description: Unirac, PanelClaw (or equivalent) Ballasted Racking

## Facility Lease & Power Purchase Information

Site Use: \_\_\_\_\_ City Hall  
 Tenant: \_\_\_\_\_ iDEAL Energies Solar Leasing, LLC  
 Tenant Signer Name: - Rich Ragatz  
 Tenant Signer Title: - Vice President  
 Leased Space Rent Payment: \_\_\_\_\_ **\$90.00** per year  
 Leased Energy System Rent Payment: **\$10.00** per year

# Purchase Agreement

84.870 kW DC JinkoJKM410M Solar Panels with  
66.60 kW AC SolarEdge SE66.6k480V(1)  
Inverter(s), SolarEdge P860P960 Power  
Optimizers & Unirac, PanelClaw (or equivalent)  
Ballasted Racking

Customer	City of Newport
Site	2060 <del>4st</del> 1St Avenue, Newport, MN 55055
Xcel Premise #	Pending

## Xcel Photovoltaic Credit Rider Tariff

This PURCHASE AGREEMENT ("Agreement"), dated ~~December 3, 2021~~ December 2, 2021 ("Effective Date") is between IDEAL ENERGIES, LLC, a Minnesota limited liability company, whose principal place of business is located at ~~5810 Nicollet~~8318 Pillsbury Avenue MinneapolisSouth, Bloomington, MN ~~55419~~55420 ("Seller"), and City of Newport, a ~~Minnesota City, municipal corporation organized under the laws of Minnesota,~~ whose principal place of business is located at 596 7th Avenue, Newport, MN 55055 ("~~Customer~~" "City"). Seller and ~~Customer~~ City 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 ("**Energy System**") and Customer desires to purchase and install an Energy System on the Site location described above ("**Site**") in accordance with the terms and conditions set forth in this Agreement;~~

~~Customer will, with the reasonable assistance of Seller, apply for the Tariff (as defined below) for the Project (as defined below) by executing Utility Agreements (as defined below) required to install the Energy System and receive the Tariff;~~

~~B. Customer will, in connection with this Agreement, enter into a Facility Lease Agreement with IDEAL Energies Solar Leasing, LLC ("**Tenant**") pursuant to which Tenant will lease, operate and maintain the Energy System ("**Facility Lease Agreement**"); and~~

~~B. Customer will, in connection with this Agreement, enter into a Power Purchase Agreement ("**Power Purchase Agreement**", together with this Agreement, and the Facility Lease Agreement, the "**Transaction Documents**") with Tenant pursuant to which Tenant will sell power generated by the Energy System to Customer.~~

### AGREEMENT

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

1. **Project.** Seller will 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 with a Nameplate Capacity of **84.870 kW DC** (+/- 0.50 kWDC) on the Site, and perform Energy System commissioning. The "**Project**" will consist of the Energy System components identified on **Schedule A** ("**System Components**") and the Project's design documents ("**Design Documents**").

2. **Title and Risk of Loss.** Title and risk of loss for the Energy System and Design Documents will pass to Customer upon Substantial Completion (as defined below).

Notwithstanding the foregoing, as of the Effective Date, and as further set forth in this Agreement, Customer agrees to maintain insurance in its own name, and with Seller as an additional insured, to fully insure the Site during the term of this Agreement.

3. **Purchase and Sale; Installation Cost; Payment Terms.** ~~Seller agrees to sell and~~ Customer agrees to purchase ~~from Seller~~ the Project and the services provided for hereunder for the total installation cost of **\$197,800.00** ("**Installation Cost**"). -The Installation Cost for the Project will be paid pursuant to the Facility Lease Agreement. - The actual Installation Cost paid to Seller and/or the Tenant's Tax Basis for the Energy System may vary from the amounts stated or contemplated by this Agreement.

4. **Customer's City's Representations and Responsibilities.**

a. Customer represents ~~that the City is seized of good and sufficient title and interest to~~ the Site ~~is owned~~.

~~a.b. City represents the undersigned have full authority to enter into this contract, as authorized by Customer (or an affiliated entity that has common ownership with Customer), as described in Schedule B, [City Motion/Resolution].~~

~~b.c. Customer~~ City represents that it is not a party to any litigation that would materially or adversely affect its ability to enter into or perform under the Transaction Documents.

~~e.d. The Authorized Signer(s) ("**Authorized Signer**") listed in Schedule B are legally authorized to act on behalf of Customer and have the authority to approve or execute Amendments, and otherwise modify this Agreement. The Customer~~ City Representative listed in **Schedule B** ("**Customer's City's Representative**") will serve as the Seller's Site contact and will inform the Seller of the ~~Customer's parties that need to be communicated with appropriate City contacts for: communication regarding the construction, approve process, approval of the Design Documents, coordinate coordination with Seller regarding construction activities, and serve as the 24-hour contact for communicating with Utility for any planned or emergency issues related to the Energy System.~~

~~d.e. Where any of the Customer's City's utility meters are located indoors, Customer~~ City will provide Utility with 24-hour ~~unescorted keyless, escorted~~ access to all the utility meters.

~~e.f. Customer~~ City will, at least three weeks before the Target Substantial Completion Date, provide and maintain either a wireless internet connection or a RJ45 Internet outlet at the electrical room for connecting the Energy System's web-based monitoring equipment. -If Customer City does not provide the foregoing, Seller will provide and install a

cellular device for exclusive use by the Energy System, as set forth on **Schedule A**. Customer City will be responsible for any cellular service provider data charges.

#### 5. **Seller's Representations and Responsibilities.**

- a. As a part of the Project, Seller will provide all System Components, Design Documents, labor, equipment, supplies and services necessary to install the Energy System at the Site in accordance with the "Scope of Work" described in **Schedule C** ("**Work**").
- b. Seller will comply with all applicable laws, rules, regulations, governmental approvals and permits, including all applicable agreements with, and tariffs of, the Utility (collectively, "**Applicable Requirements**").
- c. For purposes of qualifying the Projected Tax Credit, Seller bears the sole risk of (i) taking appropriate action to establish by facts and circumstances that the Project's construction has begun in 2022 or is safe harbored during 2022, in accordance with the requirements of IRC Revenue Notice 2018-59, and (ii) any future IRS determination that the Tax Credit for which the Project is qualified is less than the Projected Tax Credit, including any determination that the Project is disqualified from the Tax Credit.

#### 6. **Project Schedule; Substantial Completion; Final Completion.**

- a. Customer and Seller will work together to develop a proposed work plan and schedule for the Project ("**Project Schedule**") that is targeted to be substantially complete by August 31, 2022 June 30, 2023 ("**Target Substantial Completion Date**"). If events arise which make achievement of Substantial Completion by the Target Substantial Completion Date impracticable, such as force majeure (as described in Section 16.g. below), availability of System Components or equipment, and other reasonable delays, Seller will promptly notify Customer City of the same, and the Parties will adjust the Project Schedule accordingly. No penalties are due for changes or delays in execution of the Project Schedule.
- b. The Project will be substantially complete when the Utility performs a witness test and the Energy System is turned on and is capable and authorized under Applicable Requirements to generate and deliver electric energy to Customer City and the Utility's Utility's electrical grid at the interconnection point ("**Substantial Completion**"). The date on which Substantial Completion is achieved is the "**Substantial Completion Date**".
- c. Upon Seller's completion of unfinished work remaining at the time of Substantial Completion ("**Punchlist Work**") the Project will be fully complete ("**Final Completion**").

#### 7. **Changes.**

- a. ~~It is the desire of the Parties to keep changes to the terms of this Agreement to a minimum, including changes to the Project Schedule. Either Party may request a change by advising the other Party in writing of the proposed change. If (a) Customer City elects to purchase any additional services from Seller, as further described on **Schedule A** ("**Optional Services**"), or (b) the Parties shall execute a written~~

Amendment which will not become effective until authorized by the City Council by motion or resolution.

- a-b. ~~If any change in the Project or the Work is required to address unforeseen Site conditions, the circumstances of Section 7-b7c, changes in the Energy System size required to accommodate engineering and Site requirements, or other events or circumstances, the Parties will City's Representative and the Seller shall execute a written Amendment to document the change ("**Amendment**"). Change Order not requiring authorization by the City Council.~~

- b-c. Seller may substitute System Components in accordance with the requirements of this Section, as required to accommodate structural limitations of the Site, the availability of System Components (including changes in panel wattage available from manufacturers), Utility's requirements, or other reasons consistent with the intended purpose of this Agreement. Without requiring an Amendment, Seller may, at its sole discretion, substitute the following System Components:

- i. For solar panels listed on Schedule A, Seller may substitute a solar panel with any standard or bi-facial polycrystalline, monocrystalline 72 cell high efficiency solar panel that (i) is Tier 1 rated, CEC listed, or a DNV-GL "Top Performer" (ii) has at least a 10-year ~~manufacturer's~~ manufacturer's workmanship warranty and a 25-year production warranty achieving at least 80% of its rated capacity ("Substitute Panels"), and (iii) is +/- 20 Watts DC and that results in a total variance in the Nameplate Capacity of +/- 0.50 kW DC.
- ii. For Inverters listed on Schedule A, Seller may substitute an inverter(s) with any standard alternative inverter that is (i) of substantially equal electrical rating and (ii) has a warranty of equal or greater term as the inverter(s) listed on Schedule A.
- iii. For Power Optimizers listed on Schedule A, if any, Seller may substitute a Power Optimizer with a model that is appropriately rated for the solar panels and inverters installed at the Site.
- iv. For Racking listed on Schedule A, Seller may substitute Racking with any standard alternative Racking that is (i) substantially equal, and (ii) has a warranty of equal or greater term as the Racking listed on Schedule A.

#### 8. **Tariff, Utility Bill Credits, Net Metering & Tax Credits.**

~~The Parties anticipate the Project will be eligible for the following: The Project may be eligible to receive the tariff, utility billing credits, net metering, and/or investment tax credits. Seller will assist City with the application(s) for such programs, but City will be solely responsible for timely completion of the same.~~

~~The Project may be eligible to receive the tariff described in Xcel Energy's Electric Rate Book, (as may be amended or replaced from time to time) as the "Photovoltaic Demand Credit Rider" Rate Code A86 which provides a utility bill credit on the utility bill ("**Utility Bill Credit**") based on the kWh produced from the Energy System from the hours 1:00 PM to 7:00 PM multiplied by the rate per kWh specified in the Electric Rate Book for the Rate Code ("**Tariff**"). To apply for the Tariff, Customer (or its tenant, if any, and as identified on **Schedule B**) will execute required utility agreements, including but not limited to: (i) Electric~~

Service Agreement, (ii) Amendment No. 1 to Electric Service Agreement, (iii) Uniform Statewide Contract for Cogeneration and Small Power Production Facilities, (iv) Minnesota Distributed Energy Resource Interconnection Agreement (MN DIA), under which Renewable Energy Credits ("RECs") for the Energy System belong to the Party stated in the Utility Agreements, and (v) any other documentation required by the Utility ("**Utility Agreements**") to install the Project. RECs do not belong to Seller. Seller will assist Customer (or its tenant) with the application but Customer will be solely responsible for timely completion of the same.

Customer (or its tenant) may be eligible to participate in the Utility's **Net Metering Program** where Customer (or its tenant) is compensated by Utility at the applicable rate specified in the Rate Code for each kWh produced from the Energy System that exceeds the Site's consumption ("**Net Metering Credit**"). Under this program, the energy generated from the Energy System is available for on-Site use and reduces the total units of energy (kWh) that Customer (or its tenant) would otherwise purchase from Utility.

The Project may be eligible to receive an investment tax credit from the U.S. Treasury, pursuant to Section 48 of the IRS Code ("**Tax Credit**"). The Tax Credit is worth **26%** of the Project's eligible costs ("**Projected Tax Credit**"), if the Project is "placed in service" in 2021 or 2022, or satisfies IRS requirements as having "begun construction" in 2022. Alternatively, the Tax Credit will be worth 22% of the Project's eligible costs if the Project is "placed in service" in 2023, or satisfies IRS requirements as having "begun construction" in 2023. The eligible cost basis for the Tax Credit may differ from the Installation Cost.

#### 12.9. Insurance.

- a. Seller will, at its own cost and expense, maintain in full force, the following insurance reasonable:

1. Commercial General Liability on an occurrence basis with contractual liability coverage:

General Aggregate, \$2,000,000

Products-Completed Operations Aggregate, \$2,000,000

Personal and customary for the services being performed Advertising Injury, \$1,000,000

Each Occurrence-Combined Bodily Injury and Property Damage, \$1,000,000

2. Workers' Compensation and Employer's Liability:

Workers' Compensation, Statutory Limits

Employer's Liability.

Bodily injury by Seller under this Agreement, including those set forth on **Schedule C**. Upon request, Seller will:

Accident-Each Accident \$500,000

Disease-Policy Limit \$500,000

Disease-Each Employee \$500,000

3. Automobile Liability.

Combined bodily injury and property damage, \$1,500,000 per accident and \$3,000,000 annual aggregate.

An umbrella or excess policy over primary liability insurance coverages is an acceptable method to provide Customer with the required insurance limits.

a. The Seller's certificate(s) evidencing such insurance naming Customer City as an additional insured prior to commencement of any work at the Site. A sample Certificate of Insurance for Seller, which identifies the required insurances and limits for the insurances required for the Project, is provided in **Schedule E**.

b. Customer After Substantial Completion has occurred, City 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 Substantial Completion has occurred, for the Energy System and the System Components.

c. Customer City will provide the Seller and the Utility with a Certificate of Insurance that conforms with the Utility requirements specified all applicable laws and regulations, including the Minnesota Distributed Energy Resources Interconnection Process ("MN DIP") v.2.3, or the latest version of the MN DIP approved by order of the Minnesota Public Utilities Commission.

e.d. Waiver of Subrogation. The Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Leased Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in **Schedule F** what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

**Seller's Waiver and Indemnity Regarding Liens.** To the fullest extent permitted under the Applicable Requirements, and to the extent Customer has made payments owed under this Agreement, Seller waives any right to file or impose any mechanic's, materialman's, or other liens with respect to the Site or the Energy System. Seller will promptly pay all undisputed amounts owed for services, materials, equipment, and labor furnished by any person to Seller with respect to the Project.

#### 10. Seller's Waiver and Indemnity Regarding Liens.

a. Seller shall keep the Site free and clear of all liens and claims of liens for labor, material, services, supplies and equipment performed on or furnished to Seller or any of the System Components in connection with the Seller's use of the Site.

13.b. Seller will, 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 Seller's notice of its filing, any ~~mechanic's, materialman's~~ mechanic's, materialmen's, or other lien in respect of 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, CustomerCity may discharge, satisfy or settle such liens and Seller will, within thirty (30) days of a written request by CustomerCity, reimburse CustomerCity for all costs and expenses incurred by CustomerCity to discharge, satisfy or settle such liens.~~

c. Seller waives any right to file or impose any mechanic's, materialman's, or other liens with respect to the Site or the Energy System.

d. Seller will promptly pay all undisputed amounts owed for services, materials, equipment, and labor furnished by any person to Seller with respect to the Project.

#### 44.11. Warranties.

a. Seller will provide the warranties set forth on **Schedule D.** 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 panels, inverters, power optimizers, racking, and monitoring equipment and their performance/energy output), will carry only the warranty of their manufacturer. More detailed information about warranties on the System Components are set forth on the applicable manufacturer's specification sheets and Operations Manual(s) provided to CustomerCity, or available on the manufacturer's websites. ~~Customer is solely responsible for Seller will cooperate with the City in pursuing any available warranties owned by Seller on System Components against the manufacturer at its own expense, by providing any and may look only all information relevant to such manufacturer, and the System Components, including but not to Seller, for any warranty with respect thereto limited to, technical documentation, installation documentation, testing results, communications, and/or any media or other documentation related to the installation of the System Components.~~

**b. EXCEPT AS EXPRESSLY PROVIDED IN SCHEDULE D, SELLER MAKES NO AND EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED 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, CURRENT OR FUTURE UTILITY RATES,**

**UTILITY FEES, INTERCONNECTION FEES, TARIFF PROGRAMS, NET METERING, THE AMOUNT OF OR CUSTOMER'S/CITY'S RECEIPT OF UTILITY BILL CREDITS OR NET METERING CREDITS OR SALE OF EXCESS ENERGY, 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.**

45.12. Ownership of Project Documents and Design. All Design Documents for the Energy System will be the sole and exclusive property of Customer. ~~CustomerCity. City~~ grants Seller an irrevocable perpetual, transferable, royalty free license to use the Design Documents for its own private use.

#### 46.13. Indemnification; Limitation of Damages.

~~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 (each a "Customer Indemnified Party") against any third-party damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "Damages") incurred or suffered by any Customer Indemnified Party caused by (i) any material breach of this Agreement by Seller, or (ii) gross negligence or willful misconduct of Seller, its employees, or subcontractors in connection with the Project.~~

~~To the extent permitted by law, Customer hereby indemnifies and holds harmless Seller and its officers, directors, members, consultants, representatives, agents, employees and affiliates (each a "Seller Indemnified Party") against any Damages incurred or suffered by any Seller Indemnified Party in any way arising out of, relating to, or in connection with (i) any material breach of this Agreement by Customer, or (ii) the gross negligence or willful misconduct of Customer or its employees in connection with the Project.~~

~~Any Customer Indemnified Party or Seller Indemnified Party claiming indemnification hereunder must give each Party prompt notice of the relevant claim and each Party agrees to cooperate with each other Party, at its own expense, in the defense of such claim. Notwithstanding the foregoing, any Party from whom indemnification is sought will control the defense and settlement of such claim; provided however that such Party will not agree to any settlement that materially adversely affects the other Party without the prior written consent of such Party, which approval will not be unreasonably withheld. Without limiting or diminishing the foregoing, any Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.~~

~~IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING LOSS OF ACTUAL OR ANTICIPATED PROFITS, REVENUE, OR INCREASED EXPENSE OF BORROWING OR FINANCING) 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 THIRD-PARTY DAMAGES FOR WHICH ONE PARTY IS REQUIRED TO INDEMNIFY THE OTHER PARTY; PROVIDED, HOWEVER, SUCH INDEMNITY EXCLUDES (A) THIRD-PARTY CLAIMS FOR LOSS ARISING BY VIRTUE OF A CONTRACTUAL OBLIGATION OWED BY CUSTOMER TO SUCH THIRD-PARTY, AND (B) ANY AND ALL DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF PROJECTED TAX CREDITS), SUFFERED OR INCURRED THAT ARISE OUT OF ANY AND ALL DISALLOWANCES, IN WHOLE OR IN PART, OF TAX CREDITS CLAIMED BY CUSTOMER OR AFFILIATES IN CONNECTION WITH THE PROJECT.~~

Parties shall indemnify and hold the other harmless against any and all claims, costs, losses, expenses, demands, actions, or causes of action resulting from or arising out of the installation of the Project, the use and occupancy of the Site, or the System Components by the Party, its employees, contractors or agents, including, without limitation, reasonable attorney's fees and other costs and expenses of litigation, which may be asserted against or incurred by the Party or for which Party may be liable in the performance of this Agreement, except to the extent such claims or damages may be due to or caused by the acts or omissions of the other Party, or its employees, contractors or agents. This Agreement to indemnify and hold harmless does not constitute a waiver by City of limitations on liability provided by any applicable Minnesota law, including Minnesota Statutes, Chapter 466. The obligations described in this Paragraph shall survive the expiration or termination of this Agreement.

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

- a. Except where Seller includes the items below in the Installation Cost, Seller may terminate this Agreement in its sole discretion by providing CustomerCity written notice in the event (i) the structural analysis indicates the Site is not in its then-current condition capable of supporting the Energy System unless accommodated by alternate equipment, -structural retrofits or other requirements as specified in the structural engineering report that render the Site suitable for installing the Energy System, or (ii) the Utility requires engineering studies, interconnection expenses or site improvements as a condition to Seller installing the Project, or (iii) -before construction begins, in the event Seller's performance under the terms of this Agreement would cause Seller significant detriment for reasons including but not limited to significant increases in equipment costs resulting from import tariffs or market variations, the unavailability of licensed labor, changes in law or other similar events impairing the installation of the Energy System in accordance with the Project Schedule, or for the Installation Cost.
- b. Seller may terminate this Agreement by giving written notice to CustomerCity at any time prior to completion of the Project in the event CustomerCity has breached any representation, warranty or covenant contained in this Agreement in any material respect, Seller has notified CustomerCity of the breach, and the breach has continued without cure by CustomerCity or written

waiver by Seller for a period of thirty (30) days after the notice of breach.

- c. 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, and CustomerCity has notified Seller of the breach, and the breach has continued without cure by Seller or written waiver by CustomerCity for a period of thirty (30) days after the notice of the breach; or (ii) upon sixty (60) days'days' notice to Seller if Seller has not achieved Substantial Completion within one hundred eighty (180) days of the Target Substantial Completion Date not including any additional time related to delay of receipt of Utility interconnection approval, as may be extended pursuant to the terms of this Agreement. -In such event, and subject to Section 16.6., the Parties acknowledge the 180-day period accounts for Force Majeure events, or other unforeseen delays in the Work, including but not limited to equipment supply and third-party approvals.
- d. Upon termination of this Agreement pursuant to this Section 14, all rights and obligations of the Parties under this Agreement will terminate without any liability of any Party to any other Party, except (i) with respect to Section 13, Section 16, and as otherwise provided in this Section 14, and (ii) for any liability of any Party then in breach.
- e. Except as otherwise provided in this Section 14, the termination rights under this Section 14 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.

**18.15. Roof Warranty.** - Before installing the Energy System, Seller will take measures required to provide documentation to the CustomerCity to keep the Site's existing or new roofing manufacturer warranty intact.

**19.16. Miscellaneous.**

- a. **Relationship of the Parties.** -The Parties will for all purposes be considered independent contractors with respect to each other, and neither will be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- b. **Entire Agreement.** -This Agreement and all schedules, exhibits and attachments 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.
- c. **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, will survive the execution of this Agreement and the consummation of the transactions contemplated herein.

~~**19.17. Notices 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 will have any effect.~~

~~e.d. **Notices.** All notices to be given under this Agreement will be in writing and will 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).~~

~~f.e. **No Delay.** -No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder will operate as a waiver thereof.~~

~~g.f. **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, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.~~

~~h.g. **Governing Law / Venue.** -This Agreement will be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principals. -Any lawsuit brought in connection with this Agreement will be brought only in a court of general jurisdiction in Hennepin/Washington County, Minnesota.~~

~~i.h. **Severability.** - The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering will not affect the validity and enforceability of the remainder of this Agreement.~~

~~j.i. **Successors and Assigns.** -This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party will 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 will be of no force or effect. -As to any permitted assignment: (i) reasonable prior notice of any such assignment will be given to the other Party; and (ii) any assignee will expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing. -Notwithstanding the foregoing, Seller may, at its sole discretion, assign all or part of its interest under this Agreement to an affiliate of Seller or Tenant, or assign this Agreement in connection with any sale or pledge of any or all of its assets to a third party or bank.~~

~~k. **UCC Terms.** All terms in this Agreement that are defined in the Minnesota Uniform Commercial Code, as amended from time to time ("UCC") will have the meanings set forth in the UCC and such meanings will automatically change at the time that any amendment to the UCC, which changes such meanings, becomes effective.~~

~~l. **Terms.** All terms in this Agreement that are defined in the Minnesota Uniform Commercial Code, as amended~~

~~from time to time ("UCC") will have the meanings set forth in the UCC and such meanings will automatically change at the time that any amendment to the UCC, which changes such meanings, becomes effective.~~

~~m.i. **Marketing and Promotion.** -Seller will not use Customer's/City's name, image or likeness in connection with advertising and promoting the Project or the Energy System without Customer's/City's approval, which will not be unreasonably withheld.~~

~~n.k. **Subordination to Utility Agreements.** - No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Tenant, Customer or Customer's tenant (if any)/City are a party.- In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements will control. -Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. -Nothing in this Agreement will prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.~~

~~o.l. **Data Practices.** -Seller considers the information contained in this Agreement related to the programs, methods, techniques and processes utilized by Seller with respect to the Project to be trade secret information of Seller as defined in the Minnesota Government Data Practices Act Ch. 13.37 Subd 1 (b) GENERAL NONPUBLIC DATA. Subject to the requirements of the Government Data Practices Act, in no event will this information be shared or disclosed with any person or third party without the prior written approval of Seller. Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.~~

~~m. **Trade Secret.** Seller asserts the information herein labeled as "Trade Secret" to meet the definition of a trade secret under Minn. Stat., § 13.37, subd. 2. Seller acknowledges that under the Minnesota Data Practices Act, the final determination of whether the asserted information is made by the City. The City agrees to seek justification from Seller for its assertions prior to any disclosure to a third party.~~

n. Interest by Public Officials. No elected official, officer, or employee of the City shall during his or her tenure or employment or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.

The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Seller  
**IDEAL ENERGIES, LLC**

By: \_\_\_\_\_  
Chris Psihos, its President

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

~~Customer~~  
**City of Newport**

By: \_\_\_\_\_  
~~Bruce Hanson, its Superintendent~~

By: \_\_\_\_\_  
Laurie Elliott, Its Mayor

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

ATTEST

\_\_\_\_\_  
City Administrator

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

# SCHEDULE A

## System Components

**Included with Energy System:-** The Energy System is comprised of the following System Components:

1. UL Listed and approved Solar Panels: – **207 @ JinkoJKM410M solar panels each rated at 410 (+/- 10 Watts DC); 72 cell Tier 1, CEC listed, or DNV-GL Rated Top Performer oriented at approximately 180°**
2. UL listed and approved DC/AC inverters: – **66.60 kW AC total; 1 @ SolarEdge SE66.6k480V(1) Inverter(s)**
3. SolarEdge Power Optimizers: **104 – SolarEdge P860P960 Power Optimizers (or equivalent)**
4. Solar Panel Racking / mounting system: **—Unirac, PanelClaw (or equivalent) Ballasted Racking**
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 panels and interconnect with the Site's existing electric service excluding any Specialized Equipment as defined below. –Electrical components including the inverters, transformers, disconnects and production meter will be located on the exterior of the building near existing electrical service unless otherwise agreed. -If the main service utility meter is located indoors, a keypad or lockbox will be provided for allowing the Utility Company 24-hour access to the meter. –The electrical conduit will be run on the exterior of the building.— If required by the Energy System Engineering, Seller will provide and install mechanical roof attachments required to keep the Energy System immobile using a qualified Roofer.
6. Monitoring equipment and web-based remote system monitoring system. [CustomerCity](#) is responsible for bringing, providing and paying for ethernet cable or cellular based internet service at the Site (typically the electrical room).
7. Where [Customer'sCity's](#) roofing manufacturer for EPDM, TPO, PVC or SBS roof membrane system(s) require that slip sheets of like kind roofing membrane ("Slip Sheets") be placed between the roof's membrane and the solar array racking pads to preserve the manufacturer's roof warranty, Slip Sheets will be installed by Seller.
8. For ground mounted systems, includes: (1) 200' AC trench run from array to interconnection location (additional cost for longer runs will be added to project cost at Seller's cost) (2) grass or mulch at the Seller's discretion (Customer is responsible for maintaining the grounds post installation), and (3) wire mesh for guarding of conductors (does not include fence).
9. If not provided by the Utility, a revenue grade meter for measuring and monitoring electrical production from the Energy System.

The Parties agree that the Energy System does **NOT** include the following unless purchased by the [CustomerCity](#) as an option (except where Seller includes them in the Installation Cost):

1. Relocation of existing electric circuits, or any upgrades to [Customer'sCity's](#) electrical service to bring it up to code or other Site-specific utility requirements including any relocation of existing utility meters to an exterior location to bring a Site up to code.
2. Any structural improvements to the building required to support the Energy System and the System Components.
3. Batteries or emergency back-up power capability.
4. Third-party fees for web-based monitoring of the Energy System.
5. Afterhours Labor and after-hours equipment rental (i.e., outside the weekday hours of 6am-6pm local prevailing time) / Weekend Labor.
6. Tree removal, gas line relocation, fencing or guardrails around roof perimeter.
7. Seller-provided cellular device for web-based System monitoring: \$1200
8. Non-customary design requests, any other item or service not described in this Schedule A including but not limited to step up/down transformers to/from 480V 3 Phase, roof penetrations, conduit run through building interior, powder coated or other special materials to match building, roofing (roof spudding, upgrades or re-certifications), landscaping or screening around solar array exterior.

## SCHEDULE B

### Contact Information for Parties

**Customer:** **City of Newport**  
596 7th Avenue, Newport, MN 55055

**Site Owner:** **City of Newport**  
596 7th Avenue, Newport, MN 55055

**Customer's Authorized Signer:** Bruce Hanson  
Superintendent

**Customer's Authorized City's Representative:** Bruce Hanson  
651-459-2475  
Authorized Rep Name  
Authorized Rep Tel #

**Seller/Installer:** **Ideal Energies, LLC**  
Chris Psihos t. (612)928-5008  
chris.psihos@idealenergies.com  
5810 Nicollet 8318 Pillsbury Avenue Minneapolis South,  
Bloomington, MN 55449 55420

**Project Electrician(s):** **Green<sup>2</sup> Electric, LLC** —License **EA719118**  
Robert Buskirk & Russell Goetze Master Electricians  
t. -(612)928-5008 -f: (612)928-5009  
5810 Nicollet 8318 Pillsbury Avenue Minneapolis South  
Bloomington, MN 55449 55420

## SCHEDULE C Seller's 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 Substantial Completion.
5. Seller will prepare all documentation required by Utility for [CustomerCity](#) to interconnect the Energy System with Utility's electrical grid at the interconnection point.
6. Seller will prepare all documentation required by Utility for [CustomerCity](#) to apply for interconnection.

### 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'sCity'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 [CustomerCity](#) 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 provide to [CustomerCity](#) copies of all operating and maintenance manuals and third-party warranties.

## 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, for a period beginning on the Substantial Completion Date and ending five years later (the "**Warranty Period**"), if 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 City properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer City, 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 City properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer City, 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 Substantial Completion. -If Customer City notifies Seller within the Warranty Period that any System Components were not new or were, at that time, physically damaged by Seller at the time of Substantial Completion, Seller will 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 City properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer City, 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 any applicable operations or maintenance manual or any other maintenance instructions provided by Seller or the manufacturer of the System Components, or failure to properly 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 City 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, force majeure (as described in Section 16.g. of the Purchase Agreement) 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 timely remedy any breach of warranty under this **Schedule D** or such breach threatens imminent harm to Customer City or its property, Customer City will have the right to employ any reasonable means necessary to remedy such breach, and Seller will reimburse Customer City for all reasonable and necessary expenses incurred by Customer City in carrying out such remedy.

# SCHEDULE E

## Seller & Affiliates - Sample Certificate Seller's Certificates of Insurance



### CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
6/23/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> USI Insurance Services, LLC 8000 Norman Center Drive, Suite 400 Bloomington MN 55437	<b>CONTACT NAME:</b> Lisa Martinez	
	<b>PHONE (A/C, No, Ext):</b> 952-945-0200	<b>FAX (A/C, No):</b> 952-947-9793
<b>E-MAIL ADDRESS:</b> Lisa.Martinez@usi.com		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A:</b> Lloyds of London		
<b>INSURED</b> Ideal Energies, LLC Green2 Electric, LLC 5810 Nicollet Avenue Minneapolis MN 55419	<b>INSURER B:</b> SFM Mutual Insurance Company	11347
	<b>INSURER C:</b> The Continental Insurance Company	35289
	<b>INSURER D:</b> Continental Casualty Company	20443
	<b>INSURER E:</b> <b>INSURER F:</b>	

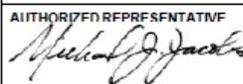
COVERAGES CERTIFICATE NUMBER: 2131444368 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			6046282925	6/23/2021	6/23/2022	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 15,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
D	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> AUTOS ONLY			6046282956	6/23/2021	6/23/2022	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			6046283007	6/23/2021	6/23/2022	EACH OCCURRENCE	\$ 10,000,000
							AGGREGATE	\$ 10,000,000
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	127888.202	6/23/2021	6/23/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
							E.L. EACH ACCIDENT	\$ 500,000
							E.L. DISEASE - EA EMPLOYEE	\$ 500,000
							E.L. DISEASE - POLICY LIMIT	\$ 500,000
C A	Leased & Rented Equipment Professional - Claims Made			6046282925 B0621PIDEA001619	6/23/2021 6/23/2021	6/23/2022 6/23/2022	Limit Limit	\$60,000 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 THE FOLLOWING ENDORSEMENT(S) APPLY TO THE NAME(S) AND/OR PROJECT(S) LISTED BELOW WHEN REQUIRED BY WRITTEN CONTRACT AND/OR AGREEMENT: GENERAL LIABILITY- CNA75079XX- Additional Insured- Automatic Status, GENERAL LIABILITY - CNA74705XX-Blanket Waiver

Additional Named Insureds include:  
 Ideal Energies Solar Leasing, LLC  
 Ideal Energies Solar Leasing 2021, LLC

<b>CERTIFICATE HOLDER</b>  Ideal Energies, LLC 5810 Nicollet Avenue Minneapolis MN 55419	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	--

## **SCHEDULE F**

### **Xcel Insurance Requirements for Solar Equipment**

Call your insurance company and let them know you are installing solar equipment and need to insure it. Have them issue the Certificate of Insurance described below as required to comply with Utility program requirements. If your insurance company has any questions about the equipment, the installation or the below, please have them contact **Wendy Vorasane** of iDEAL Energies at **612.928.5008**.

Please have a copy of the Certificate of Insurance emailed to [wendy.vorasane@idealenergies.com](mailto:wendy.vorasane@idealenergies.com).

### **CERTIFICATE OF INSURANCE**

Xcel Energy as a Certificate Holder

1. Obtain a certificate of insurance providing liability insurance that names the Utility as an additional insured. \$300,000 is required for solar arrays less than 40 kW AC, and \$1,000,000 is required for solar arrays that equal 40 kW AC. List the following information in the "**Certificate Holder's**" box:

**Xcel Energy, 414 Nicollet Mall, Minneapolis, MN 55401**

1. Make sure the physical address listed on your certificate of insurance matches the physical address at the Site where the Energy System is installed.
1. See the Distributed Generation Standard Interconnection and Power Purchase Tariff for **all Xcel Energy certificate of insurance requirements** on the following pages.

Northern States Power Company, a Minnesota corporation  
 Minneapolis, Minnesota 55401

**MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2**

**MINNESOTA DISTRIBUTED ENERGY RESOURCES  
 INTERCONNECTION PROCESS (MN DIP)  
 (Continued)**

Section No. 10  
 Original Sheet No. 202

5.10 Insurance

5.10.1 At a minimum, the Interconnection Customer shall maintain, during the term of the Interconnection Agreement, general liability insurance, from a qualified insurance agency with a B+ or better rating by "Best" and with a combined single limit of not less than the limits described in the chart below.

Distributed Energy Resource System Size	Liability Insurance Requirement
≤ 40 kWac	\$300,000
> 40 kWac and ≤ 250 kWac	\$1,000,000
> 250 kWac and ≤ 5 MWac	\$2,000,000
> 5 MWac and ≤ 10 MWac	\$3,000,000

Such general liability insurance shall include coverage against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Interconnection Customer's ownership and/or operation of the DER under this agreement.

5.10.2 The general liability insurance required shall, by endorsement to the policy or policies, (a) include the Area EPS Operator as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that the Area EPS Operator shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium for such insurance; and (d) provide for twenty (20) business days' written notice to the Area EPS Operator prior to cancellation, termination, alteration or material change of such insurance.

5.10.3 If the DER is connected to an account receiving residential service from the Area EPS Operator and its system size is less than 40kW, then the endorsements required in Section 5.10.2 shall not apply.

5.10.4 The Interconnection Customer shall furnish the required insurance certificates and endorsements to the Area EPS Operator prior to the initial operation of the DER. Thereafter, the Area EPS Operator shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.

5.10.5 Evidence of the insurance required in Section 5.10.1 shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by the Area EPS Operator.

(Continued on Sheet No. 10-203)

Date Filed: 12-14-18 By: Christopher B. Clark Effective Date: 05-09-19  
 President, Northern States Power Company, a Minnesota corporation  
 Docket No. E002/M-18-714 Order Date: 05-09-19

Northern States Power Company, a Minnesota corporation  
Minneapolis, Minnesota 55401

**MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2**

**MINNESOTA DISTRIBUTED ENERGY RESOURCES  
INTERCONNECTION PROCESS (MN DIP)  
(Continued)**

Section No. 10  
Original Sheet No. 203

- 5.10.6 If the Interconnection Customer is self-insured with an established record of self-insurance, the Interconnection Customer may comply with the following in lieu of Sections 5.10.1 - 5.10.5.
  - 5.10.6.1 Interconnection Customer shall provide the Area EPS Operator, at least twenty (20) days prior to the date of initial operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 5.10.1.
  - 5.10.6.2 If the Interconnection Customer ceases to self-insure to the level required hereunder, or if the Interconnection Customer is unable to provide continuing evidence of the ability to self-insure, the Interconnection Customer agrees to immediately obtain the coverage required under Section 5.10.1.
  - 5.10.6.3 Failure of the Interconnection Customer or the Area EPS Operator to enforce the minimum levels of insurance does not relieve the Interconnection Customer from maintaining such levels of insurance or relieve the Interconnection Customer of any liability.
- 5.10.7 An Interconnection Customer's insurance requirements shall be limited to no more than an aggregate cap of \$35 million if the Interconnection Customer has multiple DER systems in the Area EPS Operator's service territory.

5.11 Comparability

The Area EPS Operator shall receive, process and analyze all Interconnection Applications in a timely manner as set forth in this document. The Area EPS Operator shall use the same Reasonable Efforts in processing and analyzing Interconnection Applications from all Interconnection Customers, whether the DER is owned or operated by the Area EPS Operator, its subsidiaries or affiliates, or others.

5.12 Record Retention

The Area EPS Operator shall maintain for three years records, subject to audit, of all Interconnection Applications received under these procedures, the times required to complete Interconnection Application approvals and disapprovals, and justification for the actions taken on the Interconnection Applications.

5.13 Coordination with Affected Systems

The Area EPS Operator shall coordinate the conduct of any studies required to determine the impact of the Interconnection Application on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Area EPS Operator will make Reasonable Effort to include the Affected System operator(s) in all relevant meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Area EPS Operator and the Affected System operator(s) in all matters related to the conduct of studies and the determination of modifications to Affected Systems. Affected System operators shall cooperate with the Area EPS Operator and Interconnection Customer(s) with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

(Continued on Sheet No. 10-204)

Date Filed:	12-14-18	By: Christopher B. Clark	Effective Date:	05-09-19
		President, Northern States Power Company, a Minnesota corporation		
Docket No.	E002/M-18-714		Order Date:	05-09-19





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/27/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Christensen Group 9855 West 78th Street, Ste 100 Eden Prairie MN 55344		CONTACT NAME: Alex Kissell PHONE (A/C, No, Ext): (952) 653-1000 E-MAIL ADDRESS: akissell@christensengroup.com FAX (A/C, No): (952) 653-1100	
INSURED Ideal Energies LLC, Green2 Electric, LLC Ideal Energies Solar Leasing, LLC 8318 Pillsbury Avenue S Bloomington MN 55420		INSURER(S) AFFORDING COVERAGE INSURER A: Valley Forge Insurance Co INSURER B: Continental Insurance Co INSURER C: SFM Mutual Insurance Company INSURER D: INSURER E: INSURER F:	NAIC # 20508 35289 11347

COVERAGES CERTIFICATE NUMBER: 22-23 Liability REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			7034110561	06/23/2022	06/23/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPI/OP AGG \$ 2,000,000 Employee Benefits \$ 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			7034110561	06/23/2022	06/23/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PIP-Basic \$ Basic
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$			7034110415	06/23/2022	06/23/2023	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N	127888.202	06/23/2022	06/23/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Leased/Rented Equipment			7034110561	06/23/2022	06/23/2022	Limit \$70,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Master Builders Risk Policy #7034104064, (Carrier B) Continental Casualty Company, Effective 6/23/22 - 6/23/23, Solar Panel Limit \$4,000,000.  
 E&O Coverage Limit \$2,000,000  
 General Liability coverage applies to Designated Unmanned Aircraft (Drones) Coverage

CERTIFICATE HOLDER  For Informational Purposes	CANCELLATION  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  

# On-Site Solar for the City of Newport

10/31/2022



**iDEAL ENERGIES**  
— A GREEN<sup>2</sup> COMPANY —

# About iDEAL Energies

iDEAL Energies is the premier Minneapolis-based commercial solar energy developer with 500+ commercial systems currently in operation and 100+ projects under construction.

Our seamless vertical integration allows us to develop, design, install, finance, and operate turn-key solar energy systems across multiple sectors including commercial for-profit businesses, non-profits, cities, counties, schools, and non-profits.

iDEAL's affiliated companies provide development, financing, project management, construction, operation and maintenance.



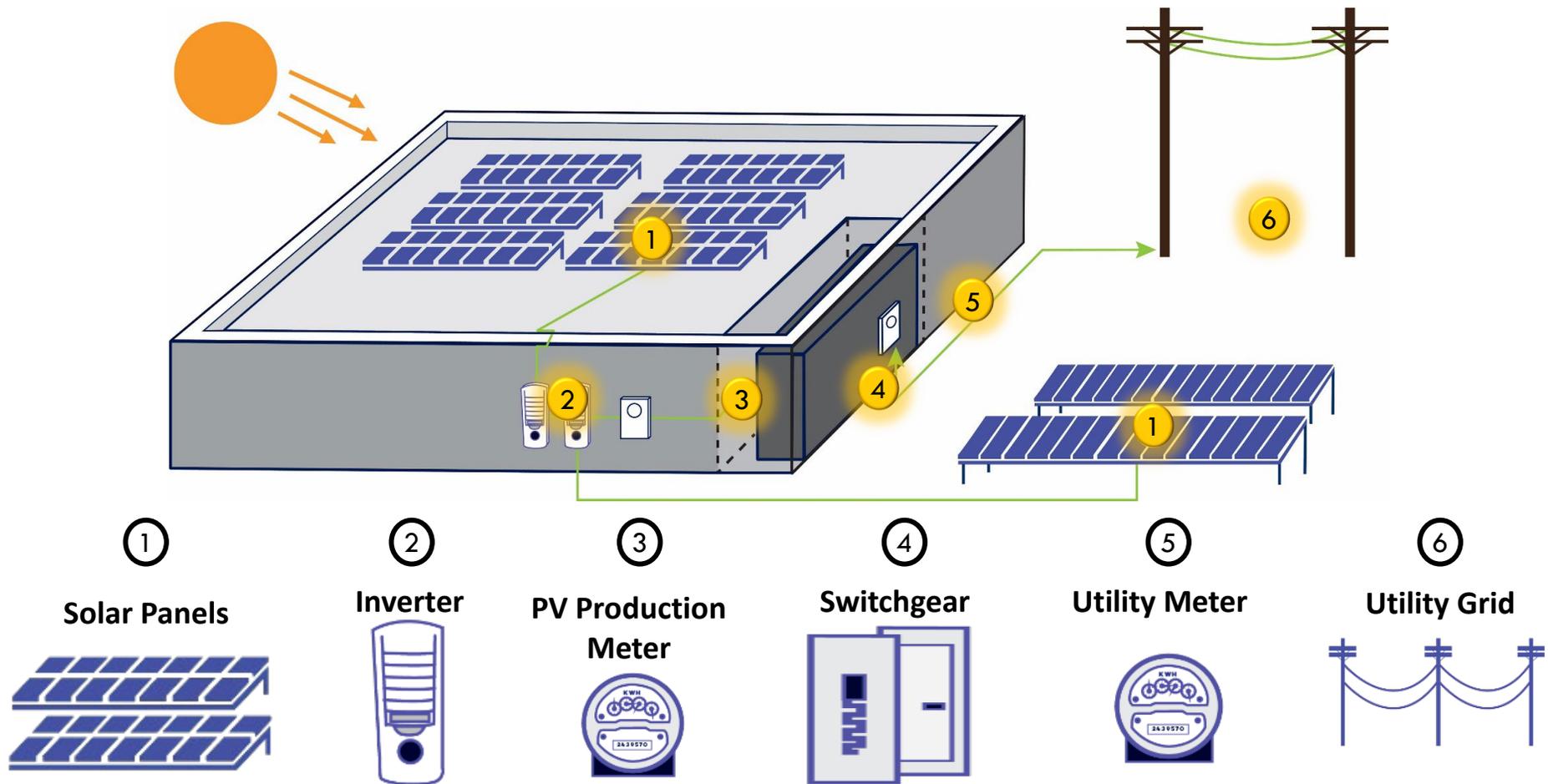
CITY OF  
**ST. CLOUD**  
MINNESOTA



## Our City/County Customers

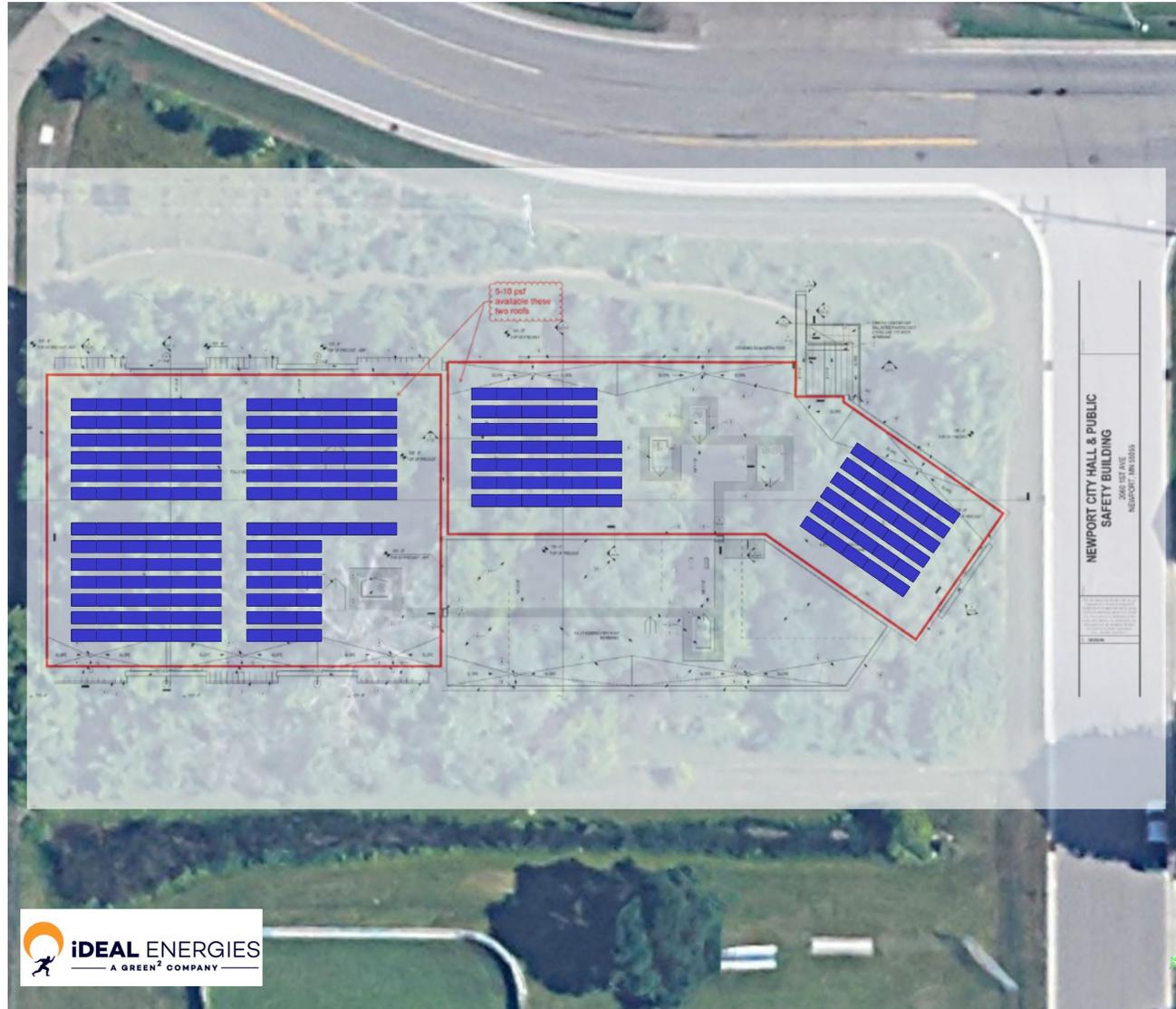
City of Elko New Market  
City of Hinckley  
City of Hopkins  
City of La Crescent  
City of Maple Grove  
City of Mendota Heights  
City of New Brighton

City of Newport  
City of Richfield  
City of Rogers  
City of Roseville  
City of Shoreview  
City of St. Cloud  
City of West St Paul  
Ramsey County



# City Hall

84.9kW DC



# Ideal Energies Solar Program

1. City owns the array day 1
2. No upfront cost
3. The City's only financial obligation is to pay Ideal Energies for the 20 year term during which the City will realize ~20% savings in its electric expense vs. 2019 rates; ~30% savings based on 2022 rates
4. Free energy after year 20
5. iDEAL Energies operates and maintains the solar array for the City
6. 25 Year solar panel warranty

Year	Customer's Utility Savings and Rent Income		
	Utility Bill Savings	Rent Revenue	Total Annual Customer Revenue
Year 1	\$ 11,335	\$ 100	\$ 11,435
Year 2	\$ 11,557	\$ 100	\$ 11,657
Year 3	\$ 11,886	\$ 100	\$ 11,986
Year 4	\$ 12,123	\$ 100	\$ 12,223
Year 5	\$ 12,367	\$ 100	\$ 12,467

Year 20	\$ 17,616	\$ 100	\$ 17,716
Year 21	\$ 18,125	\$ -	\$ 18,125
Year 22	\$ 18,536	\$ -	\$ 18,536
Year 23	\$ 18,960	\$ -	\$ 18,960
Year 24	\$ 19,509	\$ -	\$ 19,509
Year 25	\$ 19,959	\$ -	\$ 19,959

Year 38	\$ 27,713	\$ -	\$ 27,713
Year 39	\$ 28,521	\$ -	\$ 28,521
Year 40	\$ 29,230	\$ -	\$ 29,230
<b>TOTAL</b>	<b>\$ 748,248</b>	<b>\$ 2,000</b>	<b>\$ 750,248</b>

Customer's Expenses		
Energy Payment to Green <sup>2</sup> Solar (subject to sales tax)	Insurance Expense & Maintenance Expense & Utility Fees	Total Annual Expenses
\$ (9,068)	\$ (300)	\$ (9,368)
\$ (9,246)	\$ (306)	\$ (9,552)
\$ (9,509)	\$ (312)	\$ (9,821)
\$ (9,698)	\$ (318)	\$ (10,017)
\$ (9,894)	\$ (325)	\$ (10,218)

\$ (14,093)	\$ (437)	\$ (14,530)
\$ -	\$ (1,125)	\$ (1,125)
\$ -	\$ (1,134)	\$ (1,134)
\$ -	\$ (1,143)	\$ (1,143)
\$ -	\$ (1,152)	\$ (1,152)
\$ -	\$ (1,161)	\$ (1,161)

\$ -	\$ (1,303)	\$ (1,303)
\$ -	\$ (1,315)	\$ (1,315)
\$ -	\$ (1,328)	\$ (1,328)
<b>\$ (227,629)</b>	<b>\$ (31,695)</b>	<b>\$ (259,324)</b>

Annual Savings	
Total Annual Energy Expense Savings	Total Cumulative Annual Energy Expense Savings
\$ 2,067	\$ 2,067
\$ 2,105	\$ 4,172
\$ 2,165	\$ 6,337
\$ 2,206	\$ 8,544
\$ 2,249	\$ 10,792

\$ 3,186	\$ 51,618
\$ 17,000	\$ 68,618
\$ 17,402	\$ 86,020
\$ 17,818	\$ 103,838
\$ 18,357	\$ 122,194
\$ 18,798	\$ 140,992

\$ 26,410	\$ 435,817
\$ 27,205	\$ 463,022
\$ 27,902	\$ 490,924
<b>\$ 490,924</b>	

# Next Steps

## Contract Negotiation

- Executing contract with the City in Q4 2022

## Solar Array Engineering and Interconnection Approval

- Complete electrical, civil, and structural engineering for the solar array
- Apply for and receive interconnection approval from Xcel Energy

## Solar Array Construction and Startup

- Construct and energize the solar array in early Summer 2023

Site	City of Newport	
kW DC	39.96	
kW AC	40	
Start-up	11/28/2018	
Month	Total Estimated kWh	Total Actual kWh
Nov-2018	137	21 (15%)
Dec-2018	1183	1411 (119%)
Jan-2019	1699	2290 (135%)
Feb-2019	2935	607 (21%)
Mar-2019	4941	5821 (118%)
Apr-2019	5212	4345 (83%)
May-2019	6013	5543 (92%)
Jun-2019	5922	5778 (98%)
Jul-2019	5801	5782 (100%)
Aug-2019	5428	5731 (106%)
Sep-2019	4696	4059 (86%)
Oct-2019	4066	3478 (86%)
Nov-2019	1993	1932 (97%)
Dec-2019	1147	1862 (162%)
Jan-2020	1648	1570 (95%)
Feb-2020	2847	4841 (170%)
Mar-2020	4793	4723 (99%)
Apr-2020	5056	5608 (111%)
May-2020	5833	5814 (100%)
Jun-2020	5744	6217 (108%)
Jul-2020	5627	6178 (110%)
Aug-2020	5265	5876 (112%)
Sep-2020	4555	4402 (97%)
Oct-2020	3944	3855 (98%)
Nov-2020	1983	2800 (141%)
Dec-2020	1141	2021 (177%)
Jan-2021	1640	2244 (137%)
Feb-2021	2833	3384 (119%)
Mar-2021	4769	5581 (117%)
Apr-2021	5030	4747 (94%)
May-2021	5803	5928 (102%)
Jun-2021	5715	6611 (116%)
Jul-2021	5599	5913 (106%)
Aug-2021	5239	5669 (108%)
Sep-2021	4532	5365 (118%)
Oct-2021	3924	3984 (102%)
<b>Total</b>	<b>99608</b>	<b>102565 (103.0%)</b>

**GET IN  
TOUCH!**

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5810 Nicollet Ave Minneapolis, MN 55419  
P 612.928.5008

**iDEALenergies.COM**



Supplemental information documenting assumptions in this presentation are available upon request

**Make Money. Save the Planet.™**

### Facility Lease Agreement

84.870 kW DC JinkoJKM410M Solar Panels with  
66.60 kW AC SolarEdge SE66.6k480V(1)  
Inverter(s), SolarEdge P860P960 Power  
Optimizers & Unirac, PanelClaw (or equivalent)  
Ballasted Racking

<u>CustomerCity</u>	City of Newport
Site	2060 <del>4st1St</del> Avenue, Newport, MN 55055
Xcel Premise #	Pending

### Xcel Photovoltaic Credit Rider Tariff

This FACILITY LEASE AGREEMENT (“Agreement”), dated ~~December 3, 2021~~ August 10, 2022 (“Effective Date”) is between IDEAL Energies Solar Leasing, LLC, a Minnesota limited liability company, whose principal place of business is located at ~~5840 Nicollet~~ 8318 Pillsbury Avenue Minneapolis ~~South, Bloomington, MN 55419~~ 55420 (“Tenant”), and City of Newport, a Minnesota City, whose principal place of business is located at 596 7th Avenue, Newport, MN 55055 (“~~Customer~~”)- (“~~City~~”). Tenant and CustomerCity are sometimes also referred to in this Agreement jointly as “Parties”, or individually as a “Party”.

construction” in 2023. –The eligible cost basis for the Tax Credit may differ from the Installation Cost.

H.G. Any capitalized term not defined herein will have the meaning given to it in the Purchase Agreement, unless otherwise stated.

### RECITALS

#### RECITALS

- ~~B.A.~~ CustomerCity is the owner or lessee Tenant of that certain Site located at 2060 4st1St Avenue, Newport, MN 55055 presently used as an **City Hall** (“**Site**”);
- ~~C.B.~~ Tenant desires to lease from CustomerCity, and CustomerCity desires and is authorized to lease to Tenant, subject to the terms and conditions of this Agreement, a portion of the Site for the construction, operation and maintenance of a photovoltaic solar electric system (“**Energy System**”) as further described in that certain Purchase Agreement between CustomerCity and **Ideal Energies, LLC** (“**Seller**”) of even date herewith (“**Purchase Agreement**”);
- ~~D.C.~~ Customer will be the legal owner of the Energy System upon purchase from Seller, and CustomerCity desires to lease the same to Tenant subject to the terms and conditions of this Agreement;
- ~~E.D.~~ Tenant and CustomerCity will, in connection with this Agreement, enter into a Power Purchase Agreement (“**Power Purchase Agreement**”) pursuant to which Tenant will sell power generated by the Energy System to CustomerCity;
- ~~F.E.~~ For federal tax purposes, CustomerCity and Tenant will treat this Agreement as a transfer of the ownership of the Energy System from CustomerCity to Tenant;
- ~~G.F.~~ The Project may be eligible to receive an investment tax credit from the U.S. Treasury, pursuant to Section 48 of the IRS Code (“**Tax Credit**”). –The Tax Credit is worth **26%** of the Project’s eligible costs (“**Projected Tax Credit**”), if the Project is “placed-in-service” in 2021 or 2022, or satisfies IRS requirements as having “begun construction” in 2022. Alternatively, the Tax Credit will be worth **22%** of the Project’s eligible costs if the Project is “placed-in-service” in 2023, or satisfies IRS requirements as having “begun

**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 Substantial Completion occurring for the Project in accordance with the terms of the Purchase Agreement.
2. **Lease of Energy System and Leased Space.** CustomerCity hereby leases to Tenant, and Tenant hereby leases from CustomerCity the following: (a) the Energy System, and (b) all roof/ground space required for the installation and operation of the Energy System on the Site (“**Leased Space**”) as generally prescribed on the Plan View Drawing included herewith as **Schedule A**, including rights to place wiring to the point of interconnection. –The Energy System and the Leased Space together constitute the leased property (“**Leased Property**”). –The Plan View Drawing provided to CustomerCity by Seller in its Operations Manual after Substantial Completion occurs is hereby incorporated into **Schedule A** of this Agreement by reference.
3. **System Payments, Tax Ownership.**
  - a. **Installation Cost Payment.** –Tenant hereby assumes in full and agrees to pay Customer’sCity’s Installation Cost within 15 days after the Substantial Completion Date, as defined in the Purchase Agreement.
  - b. **Transfer of Tax Ownership.** –The Parties will treat the Energy System as having been sold to Tenant for federal tax purposes in consideration of the payment(s) made under Section 3.a above.
4. **Access to Leased Space.** –CustomerCity grants to Tenant the right to access the Leased Space via reasonable route(s) over and across the Site upon reasonable prior notice to Customer. –CustomerCity will cooperate with Tenant to access the electrical meter or any other part of the Energy System, if not located within the Leased Property.
5. **Permitted Use of Leased Space.** –During the Term (as defined below), Tenant will 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 this Agreement and the Power Purchase Agreement (“**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’sCity’s written consent, which consent will not be unreasonably withheld, delayed or conditioned provided the other facilities or equipment are related to the operation of the Energy System and are not likely, in Customer’sCity’s reasonable opinion, to damage the Site or materially interfere with Customer’sCity’s business.
6. **Term.**– The term of this Agreement will begin on the Substantial Completion Date and will terminate on the 20<sup>th</sup> anniversary thereafter (“**Term**”).
7. **Rent of Leased Space.** –Beginning on the first anniversary of the Substantial Completion and continuing on each and every anniversary thereof throughout the Term, Tenant will pay to CustomerCity rent for the Leased Space. –Such rent will be **\$90.00** per year (“**Leased Space Rent**”).
8. **Rent of Energy System.** –Beginning on the first anniversary of the Substantial Completion and continuing on each and every anniversary thereof throughout the Term, Tenant will pay to CustomerCity rent for the Energy System. – Such rent will be **\$10.00** per year (“**Energy System Rent**”).
9. **Holdover.** –If Tenant holds over its tenancy after expiration of the Term, such tenancy will 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.
10. **Operating Permits.** –Tenant will, 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 having jurisdiction over Tenant or the Leased Property.
11. **Energy System Title and Condition on Facility Lease Termination.**– 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 and its System Components, will be and remain with CustomerCity, as the Energy System owner. – Tenant will leave the Energy System at the end of this Agreement in substantially the same condition as existed on the Substantial Completion Date plus any improvements, ordinary wear and tear and casualty damage excepted.
12. **Energy System Operation and Maintenance.** –At Tenant’s expense, Tenant will monitor the Energy System’s performance and keep and maintain the Energy System in good condition and repair in accordance with the Maintenance Services provided in **Schedule B**; *provided, however*, the Parties acknowledge **Schedule B** is a guideline, to which strict adherence is not expected by the Parties (“**Maintenance Services**”). –~~Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer(s) at its own expense, and may look only to such manufacturer, and not to Tenant, for any warranty with respect thereto.~~ –Tenant will assist CustomerCity in resolving any of the City’s warranties (as the Energy System owner) relating to System Components as described in **Schedule B**. – Tenant will prevent any liens from attaching to the Leased Space or the Site resulting from its maintenance activities, and will defend, indemnify, and hold CustomerCity harmless from the same. In the event Seller fails to meet such obligation, CustomerCity may discharge, satisfy, or settle such liens and Tenant will, within thirty (30) days of a written request by CustomerCity, reimburse CustomerCity for all costs and expenses incurred by CustomerCity, including but not limited to attorneys’ fees.
13. **Customer’s Repair of Leased Space During Term.** CustomerCity will 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 Maintenance**”). CustomerCity will provide thirty (30) days prior notice of any scheduled CustomerCity Maintenance, except in the case of an emergency, CustomerCity will give notice as soon as practicable.

~~CustomerCity~~, at its own cost, will perform ~~CustomerCity~~ Maintenance, and use Seller or another third party approved by Tenant to perform services required to be performed to the Energy System during ~~CustomerCity~~ Maintenance (Tenant's approval of third parties will not be unreasonably withheld). ~~CustomerCity~~ Maintenance will be performed at Tenant's expense to the extent the ~~CustomerCity~~ Maintenance was required as a result of damage to the Leased Space caused by Tenant.

14. **Utilities / Taxes.**— After Substantial Completion Date, Tenant will pay all taxes and assessments levied upon the Energy System and other personal property located and/or installed on the Site by Tenant that are related and attributed to consideration paid to ~~CustomerCity~~ by Tenant for the Leased Space and the lease of the Energy System.

15. **Interference.**

a. **Interference by Tenant.**—Tenant will operate the Energy System in a manner that will not unreasonably interfere with any existing operations or equipment located, operated or owned by ~~CustomerCity~~ or any other permitted occupants as of the date of this Agreement. All operations by Tenant will 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 and any applicable agreements with, or tariffs of, the local utility.

b. **Interference by ~~CustomerCity~~.** Following installation of the Energy System, ~~CustomerCity~~ will 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 would interfere with the Energy System or its performance. ~~CustomerCity~~ will 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 ~~CustomerCity~~ to be a bona fide emergency, in which case ~~CustomerCity~~ will immediately notify Tenant of such emergency and ~~Customer'sCity's~~ proposed actions. ~~CustomerCity~~ will be responsible for, and promptly notify Tenant, of any damage to the Energy System caused by the ~~CustomerCity~~ or its employees, invitees or agents, and will promptly pay Tenant the costs to repair such damage to the Energy System, and Power Payments (as defined in the Power Purchase Agreement) due to Tenant.

~~16. Indemnification Insurance.~~

~~16. General Liability and Property Insurance.~~— ~~Customer~~ Subject to Paragraph 17 below, each Party shall indemnify and hold the other harmless against any and all claims, costs, losses, expenses, demands, actions, or causes of action resulting from or arising out of the use and occupancy of the Leased Space or the Energy System by the Party, its employees, contractors or agents, including, without limitation, reasonable attorney's fees and other costs and expenses of litigation, which may be asserted against or incurred by the Party or for which Party may be liable in the performance of this Agreement, except to the extent such claims or damages may be due to or caused by the acts or omissions of the other Party, or its employees, contractors or agents. This Agreement to indemnify and

hold harmless does not constitute a waiver by City of limitations on liability provided by any applicable Minnesota law, including Minnesota Statutes, Chapter 466. The obligations described in this Paragraph shall survive the expiration or termination of this Agreement.

17. INSURANCE.

a. Tenant's Required Coverages.

i. Comprehensive General Liability; Worker's Compensation and Unemployment Compensation Coverage. Tenant shall carry and maintain adequate insurance to protect the Parties against any and all claims, demands, actions, judgments, expenses, and liabilities which may arise out of or result directly or indirectly from Tenant's use of the Leased Premises. Any applicable policies shall list the City as an additional insured and shall provide that it will be the primary coverage. The insurance coverage must include, at least, occurrence form Comprehensive General Liability coverage, including hazards of premises/operation coverage, bodily injury, property damage-third party, personal injury, independent contractors liability, products/completed operations coverage, and contractual liability coverage. The Tenant must maintain the aforementioned comprehensive general liability coverage with limits of liability not less than \$2,000,000 each occurrence; \$2,000,000 personal and advertising injury; \$4,000,000 general aggregate, and \$2,000,000 products and completed operations aggregate or the amounts for the same in Tenant's respective insurance certificates, whichever is greater. These limits may be satisfied by the comprehensive general liability coverage or in combination with an umbrella or excess liability policy, provided coverage afforded by the umbrella or excess policy are no less than the underlying comprehensive general liability coverages. Tenant shall maintain Completed Operations coverage for a minimum of two years after the construction is completed. Tenant shall also maintain Worker's Compensation and Unemployment Compensation coverage for itself and its employees as required under the laws of the State of Minnesota providing Employer's Liability coverage with limits of not less than \$500,000 Bodily Injury each accident, \$500,000 Bodily Injury by disease, policy limit, and \$500,000 Bodily Injury by disease, each employee. City agrees that it is subject to Minnesota Statutes Section 466.

ii. Automobile Liability. The Tenant must also carry automobile liability coverage. Coverage shall afford total liability limits for bodily injury liability and property

damage liability in the amount of \$1,500,000 per accident and \$3,000,000 annual aggregate. The liability limits may be afforded under the commercial policy, or in combination with an umbrella or excess liability policy, provided coverages afforded by the umbrella excess policy are no less than the underlying commercial auto liability coverage. Coverage shall be provided for bodily injury and property damage for the ownership, use, maintenance or operation of all owned, non-owned and hired automobiles. The commercial automobile policy shall include at least statutory personal injury protection, uninsured motorists and underinsured motorist coverages.

iii. Tenant Owned Property Insurance. Tenant must keep in force during the term and any renewals of the Lease a policy covering damage to its own property at the Leased Premises. The amount of coverage shall be sufficient to replace the damaged property, loss of use and comply with any ordinance or law requirements.

iv. Hazardous Materials Coverage. Tenant must carry sufficient coverage, to the reasonable satisfaction of City, for damage caused by hazardous materials.

v. Evidence of Insurance. Tenant shall provide, prior to the commencement date and before each renewal of the Lease term, evidence of the required insurance in the form of a Certificate of Insurance issued by an insurance company (rated A+ or better by Best Insurance Guide) licensed to do business in the State of Minnesota, which includes all coverages required above. Said Certificate shall also provide that coverage may not be cancelled, non-renewed, or materially reduced without prior written notice to City.

vi. Adjustment to Insurance Coverage Limits. The coverage limits set forth herein shall be increased from time to time as reasonably required by City and in no case shall fall below the statutory tort limit contained in Minnesota Statutes, Chapter 466, as the same may be amended from time to time.

a-b. City's Required Coverages. City will (i) keep the Energy System insured against loss by fire, theft, hail and wind (ii) at all times will insure the Energy System at an amount equal to its replacement cost and (iii) will provide Tenant with a certificate of insurance that names Tenant as an additional insured and loss payee as further described in Schedule C. Customer will also secure and maintain adequate comprehensive general liability insurance against liability related to the Energy System. Customer will provide Tenant with evidence of having acquired such insurance

coverages prior to the Substantial Completion Date and on an annual basis thereafter. The loss, injury or destruction of the Energy System will not release Customer from payment as provided in this Agreement. Any insurance policies obtained by Customer will provide that such policy of insurance cannot be terminated or cancelled by the insurer without thirty (30) days prior written notice to Tenant. Customer is responsible for any deductibles due under the insurance policies for casualties and will pay Tenant said deductible along with insurance proceeds received to repair the Energy System, and Tenant's lost Power Payments due to Tenant. Customer's failure or refusal to repair and recommission an Energy System following a loss will constitute a breach of this Agreement.

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

c. Waiver of Subrogation. The Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Leased Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

#### 17. Indemnification.

Tenant will indemnify and hold harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates (each a "Tenant Indemnified Party") 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) gross negligence or willful misconduct of Tenant or its employees or agents in connection with the transactions contemplated by this Agreement.

Tenant will indemnify Customer from any mechanic's, materialman's, or other lien with respect to the Site or the Leased Property to the extent such lien is attributable to Tenant's failure to pay the Installation Cost or other costs incurred in the performance of Tenant's obligations for maintenance and repair of the Energy System.

~~To the extent permitted by law, Customer will indemnify and hold harmless Tenant and its officers, directors, members, consultants, representatives, agents, employees and affiliates (each a "Customer Indemnified Party") 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) gross negligence or willful misconduct of Customer or its employees or agents in connection with the transactions contemplated by this Agreement.~~

~~A Customer Indemnified Party or Tenant Indemnified Party claiming indemnification or Damages hereunder must give each Party prompt notice of the relevant claim and each Party agrees to cooperate with each other Party, at its own expense, in the defense of such claim. Notwithstanding the foregoing, any Party from whom indemnification or Damages are sought, will control the defense and settlement of such claim; provided however that such Party will not agree to any settlement that materially adversely affects the other Party without the prior written consent of such Party, which approval will not be unreasonably withheld. Without limiting or diminishing the foregoing, any Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.~~

#### 22.18. Miscellaneous.

a. **Relationship of the Parties.** -The Parties will for all purposes be considered independent contractors with respect to each other, and neither will be considered an employee, employer, agent, principal, partner or joint venturer of the other.

b. **Entire Agreement.** —This Agreement and all schedules, exhibits and attachments 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.

c. **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, will survive the execution of this Agreement and the consummation of the transactions contemplated herein.

~~d. **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 will have any effect.~~

~~d. **Notices.** 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 will have any effect.~~

e. **Notices.**—All notices to be given under this Agreement will be in writing and will 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).

f. **No Delay.** -No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder will operate as a waiver thereof.

g. **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, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.

h. **Governing Law / Venue.** —This Agreement will be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principals. —Any lawsuit brought in connection with this Agreement will be brought only in a court of general jurisdiction in Hennepin County, Minnesota.

i. **Severability.** —The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering will not affect the validity and enforceability of the remainder of this Agreement.

j. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party will 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 will be of no force or effect. -As to any permitted assignment: (i) reasonable prior notice of any such assignment will be given to the other Party; and (ii) any assignee will 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 or to obtain financing, Tenant may, at its sole discretion, assign and/or sublease all or part of its interest under this Agreement to a controlled affiliate of Seller or Tenant, or assign this Agreement in connection with any sale or pledge of any or all of its assets to a third party or bank.

~~k. **UCC Terms.** All terms in this Agreement that are defined in the Minnesota Uniform Commercial Code, as amended from time to time ("UCC") will have the meanings set forth in the UCC and such meanings will automatically change at the time that any amendment to the UCC, which changes such meanings, becomes effective.~~

~~l.k. **Definitions.** Any capitalized term not defined herein will have the meaning given to it in the Purchase Agreement, unless otherwise stated.~~

~~m.l.~~ **Marketing and Promotion.** –Tenant will not use ~~Customer's~~City's name, image or likeness in connection with advertising and promoting the Project or the Energy System without ~~Customer's~~City's approval, which will not be unreasonably withheld.

~~m.m.~~ **Subordination to Utility Agreements.** – No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Tenant, ~~Customer~~City or ~~Customer's~~City's tenants (if any) are a party. –In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements will control. Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. –Nothing in this Agreement will prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.

~~n.~~ **Data Practices.** –~~Tenant considers the information contained in this Agreement related to the programs, methods, techniques and processes utilized by Tenant to offer and implement the Energy System to be trade secret information of Tenant as defined in the Minnesota~~ Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act—Ch., Minnesota Statutes, Section 13.01 et seq.

~~o.~~ **Trade Secret.** Tennant asserts the information herein labeled as "Trade Secret" to meet the definition of a trade secret under Minn. Stat., § 13.37 Subd. 1 (b) GENERAL NONPUBLIC DATA. Subject to the requirements of, subd. 2. Tenant acknowledges that under the Minnesota Data Practices Act, in no event will this information be shared or disclosed with any person or the final determination of whether the asserted information is made by the City. The City agrees to seek justification from Tenant for its assertions prior to any disclosure to a third party without the prior written approval of Tenant.

p. Interest by Public Officials. No elected official, officer, or employee of the City shall during his or her tenure or employment or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.

~~o.~~ The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Tenant  
**iDEAL Energies Solar Leasing, LLC**

By:- \_\_\_\_\_  
Rich Ragatz, its Vice President

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

Customer:  
City  
**City of Newport**

By: - \_\_\_\_\_  
~~Bruce Hanson~~Laurie Elliott, its ~~Superintendent~~Mayor

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

ATTEST

\_\_\_\_\_  
City Administrator

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

**SCHEDULE A**  
**Site Plan**

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 Site

[The above document is provided by Seller, and is included in the Owner's Manual that is provided to [CustomerCity](#) after Substantial Completion]

## SCHEDULE B Maintenance Services

**1.— 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 operate the Energy System in accordance with the Design Documents and manufacturers' Operating Manuals (as described in the Purchase Agreement). —Notwithstanding the foregoing, the Parties understand that delays may be caused by multiple reasons including without limitation, delay in the identification of operational issues, troubleshooting issues, warranty replacement, warranty procurement, force majeure, parts availability, parts delivery, crew availability, equipment defects, equipment performance, internet downtime, and similar causes.

**2. —Maintenance Services.**— The following Maintenance Services are provided by Tenant at Tenant's sole expense as described in Section 12 of this Agreement:

- 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 the Energy System performing the following tasks
  - 1. Inspect panels, inverters, and racking for physical damage
  - 2. Clean any debris on or under the solar arrays
  - 3. Ensure labels are intact
  - 4. Check for loose hanging wires, repair as necessary
  - 5. Check electrical connections, tighten/torque as necessary
  - 6. Check for corrosion of electrical enclosures, repair as necessary
- D. Tenant will manage System Component warranty claims on behalf of [CustomerCity](#)

**3.— Fees for parts replaced under manufacturer's warranty.**— For twelve (12) months after the Substantial Completion Date, Tenant will provide the services described in Section 12a at Tenant's sole expense. —Beginning on the thirteenth (13) month, the following fees will be charged to [CustomerCity](#) where Tenant removes and reinstalls parts that are available and replaced under the manufacturer's warranty. —Inverters will be serviced as soon as possible after identification of a performance issue. — After identification of performance issues, Optimizers will be replaced at least quarterly.

- 1. Panel Replacement & Recycling Services - \$150 / each
- 2. Optimizer Replacement Services - \$65 / each
- 3. Inverter Replacement Services
  - o 20 to 50 kW inverter - \$200 / each
  - o 51 to 100 kW inverter - \$400 / each

**4. —Payment for Services.**— Payment is due for any services provided by Tenant under Section 3 above net 30 days from Tenant's invoice date.

**SCHEDULE C**  
**iDEAL Energies Solar Leasing, LLC**  
**Insurance Requirements for Solar Equipment**

Contact your insurance company and let them know you are installing solar equipment and need to insure it. Have them issue a Certificate of Insurance described below as required to comply your Facility Lease Agreement's requirements. -If your insurance company has any questions about the equipment, the installation or the below, please have them contact **Wendy Vorasane** of iDEAL Energies at **612.928.5008**.

Please have a copy of the Certificate of Insurance emailed to [wendy.vorasane@idealenergies.com](mailto:wendy.vorasane@idealenergies.com).

1. List the following information in the 'Certificate Holder's' box:

**iDEAL Energies Solar Leasing, LLC 5810 Nicollet Avenue, Minneapolis, MN 55419**

2. List the following (or equivalent language) in the 'Descriptions of Operations / Locations / Vehicles' box:

**iDEAL Energies Solar Leasing, LLC is named as an additional insured and Loss Payee for the Energy System. -Should any of the above-described policies be cancelled before the expiration date, 30 days-notice will be sent in accordance with the policy provisions.**

**Note:**

For the purposes of insuring your Energy System, the current replacement cost of the solar equipment is estimated at **\$158,200.00**.

### Power Purchase Agreement

84.870 kW DC JinkoJKM410M Solar Panels with  
66.60 kW AC SolarEdge SE66.6k480V(1)  
Inverter(s), SolarEdge P860P960 Power  
Optimizers & Unirac, PanelClaw (or equivalent)  
Ballasted Racking

<u>CustomerCity</u>	City of Newport
Site	2060 <del>4st1St</del> Avenue, Newport, MN 55055
Xcel Premise #	Pending

### Xcel Photovoltaic Credit Rider Tariff

This **POWER PURCHASE AGREEMENT** (“**Agreement**”), dated ~~December 3, 2024~~August 10, 2022 (“**Effective Date**”) is between **iDEAL Energies Solar Leasing, LLC**, a Minnesota limited liability company, whose principal place of business is located at ~~5810 Nicollet~~8318 Pillsbury Avenue MinneapolisSouth, Bloomington, MN ~~55419~~55420 (“**Tenant**”), and **City of Newport**, a **Minnesota City**, whose principal place of business is located at **596 7th Avenue, Newport, MN 55055** (“**Customer**”). Tenant and CustomerCity are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

F. Any capitalized term not defined herein will have the meaning given to it in the Purchase Agreement, unless otherwise stated.

### 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:

### RECITALS

- A. Tenant leases, operates and maintains Customer’sCity’s photovoltaic solar electric system (“**Energy System**”) located at the Site, as defined in that certain **Purchase Agreement** between CustomerCity and **Ideal Energies, LLC** (“**Seller**”) of even date herewith (“**Purchase Agreement**”) pursuant to a Facility Lease Agreement between the Parties of even date herewith (“**Facility Lease Agreement**”);
- B. Tenant desires to sell renewable electric power inclusive of all rights to its available environmental attributes to CustomerCity, and CustomerCity desires to purchase from Tenant all such electricity which is produced by the Energy System;
- C. Customer has or will apply for the Tariff. -Contemporaneous or near the Substantial Completion Date for the Energy System, CustomerCity will enter into an agreement(s) (“**Utility Agreement**”, as may be amended) with Utility pursuant to which CustomerCity (or their tenant) owns Renewable Energy Credits (“**RECs**”) for the electricity produced by the Energy System;
- D. Customer may be 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 CustomerCity at the applicable rate specified in the Utility Agreements;
- E. Pursuant to the Facility Lease Agreement, Tenant may be eligible to receive a Federal Tax Credit from the U.S. Treasury if applicable —equal to **26%** of the eligible Installation Cost for Energy Systems that are placed in service or safe-harbored in accordance with the requirements of IRC Revenue Notice 2018-59 during 2021 or 2022, or **22%** of the eligible Installation Cost for Energy Systems that are placed in service or safe-harbored in accordance with the requirements of IRC Revenue Notice 2018-59 during 2023 (“**Tax Credit**”). -The eligible cost basis for the Tax Credit may differ from the Installation Cost; and

- 1. **Contingency.** —**The Parties performance under this Agreement is contingent on Substantial Completion occurring for the Project in accordance with the terms of the Purchase Agreement.**
- 2. **Power Purchase.** -Tenant will deliver all power generated from the Energy System to CustomerCity at the point of interconnection shown on Schedule A of the Facility Lease Agreement.
  - a. **Power Payments.** -CustomerCity 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** (“**Power Payments**”).
  - b. **Access to Data.** -CustomerCity agrees to provide Tenant with online access to its monthly utility bills and available data downloads from Utility that are permitted to be provided to third parties.
  - c. **Payment Remittance / Sales Tax.**— The Power Payments are due monthly beginning on the first day of the first month following the Substantial 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’sCity’s applicable sales tax rate. CustomerCity will remit and mail payments to Tenant, or its assignee, to the address below:

**iDEAL Energies Solar Leasing, LLC**  
5810 Nicollet8318 Pillsbury Avenue South  
MinneapolisBloomington, MN ~~55419~~55420

- 3. **Ownership of Renewable Energy Credits.** -If required by the Utility Agreements, CustomerCity will convey to the Utility all RECs generated by the Energy System for the term specified in the Utility Agreements. -Subject to any required assignment to the Utility, CustomerCity owns all RECs.- 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 will also

include any other environmental attribute intended to be transferred to the Utility under the Utility Agreements.

4. **Term.**— The term of this Agreement will begin on the Substantial Completion Date and will terminate on the 20<sup>th</sup> anniversary thereafter (“Term”).
5. **Late Charge / Costs of Collection.**— In the event ~~CustomerCity~~ fails to make any Power Payment when due, ~~CustomerCity~~ agrees that Tenant may charge interest at the rate provided in Minnesota Statutes 549.09, subd. 1(c)(1)(i), ~~or at 18% if the Customer is not a Public Entity,~~ on a monthly basis on the amount of any Power Payment remaining unpaid more than ten (10) days 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, extending to any appeals.~~
6. **Grant of Security Interest.** —To secure the payment and performance of all of ~~Customer’sCity’s~~ liabilities, obligations and covenants under this Agreement or the Facility Lease Agreement, ~~CustomerCity~~ hereby grants to Tenant a continuing security interest in all REC’s, in the Energy System, together with all attachments, accessories or replacement parts placed upon the Energy System, and in all proceeds of each of the foregoing. ~~Upon the request of Tenant, CustomerCity will promptly obtain a subordination agreement in favor of Tenant from any third-party lienholder who may have a lien or security interest in any of the foregoing. Tenant’s security interest and other rights under this Section 6 will be extinguished upon the later of termination of this Agreement and the Facility Lease Agreement and performance of all of Customer’sCity’s obligations hereunder and thereunder, and Tenant will execute and file any evidence of such extinguishment reasonably requested by CustomerCity.~~
7. **Insurance.** Customer will keep the Energy System insured against loss by fire, theft, hail and wind and such other hazards as required by the Facility Lease Agreement. The loss, injury or destruction of the Energy System will not release Customer from making all Power Payments.
8. **Events of Default.** —Each of the following will constitute an event of default (“Event of Default”):
  - a. Customer will fail to make any payment to Tenant when due hereunder, Tenant has notified ~~CustomerCity~~ of such failure, and the failure has continued without cure by ~~CustomerCity~~ or written waiver by Tenant for a period of thirty (30) days after the notice of failure;
  - b. Customer will breach in any material respect any representation, warranty or covenant contained in any Transaction Documents (as defined in the Purchase Agreement), Tenant has notified ~~CustomerCity~~ of the breach, and the breach has continued without cure by ~~CustomerCity~~ or written waiver by Tenant for a period of thirty (30) days after the notice of breach;
  - c. Customer will 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 will be filed under any bankruptcy statute against ~~CustomerCity~~ or any receiver, trustee, or similar official will be appointed to

take possession of the properties of ~~CustomerCity~~ unless such petition or appointment ceases to be in effect within thirty (30) days of such filing or appointment;

- e. The ~~CustomerCity~~ fails to comply with any of its obligations under any of ~~Customer’sCity’s~~ agreements with the Utility; or
  - f. The ~~Customer’sCity’s~~ failure or refusal to repair and recommission an Energy System following a casualty loss.
9. **Remedies.**
- a. If an Event of Default occurs, 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 of the Event of Default;
    - iii. Enforce the security interest granted hereunder, in which event ~~CustomerCity~~ agrees to make the Energy System available to Tenant at a place or places acceptable to Tenant and Tenant will 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 will offset any amounts due under this Agreement;
    - iv. Retain all payments made by ~~CustomerCity~~ as liquidated damages for the non-performance of this Agreement, for use of the Energy System and for depreciation thereof;

~~Exercise any other remedies available under law, including those under Article 9 of the UCC.~~
  - ~~e.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 as determined by a qualified independent third-party appraiser is not sufficient to pay the amount due under this Agreement, ~~CustomerCity~~ 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 ~~CustomerCity~~ is required to pay Tenant under this Agreement, Tenant agrees to pay immediately to ~~CustomerCity~~ such excess.
  - ~~d.c.~~ The remedies provided herein will 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 will 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 UTILITY BILL CREDITS, [INCENTIVES/RECS], NET METERING CREDITS, AND UTILITY BILL SAVINGS THAT ARE RECOGNIZED BY THE PROJECT WILL VARY WITH UTILITY RATES, THE ENERGY SYSTEM'S ENERGY PRODUCTION, ACTUAL SITE ENERGY DEMAND OR CONSUMPTION PROFILES, OR SIMILAR, AND THAT THE ACTUAL AMOUNTS RECOGNIZED OR RECEIVED BY THE PARTIES WILL VARY ACCORDINGLY. -TENANT/Tenant DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, THAT PRODUCTION WILL MATCH PROJECTIONS, AND CUSTOMER/CITY AND TENANT ASSUME THE VARIABILITY OF POTENTIAL OUTCOMES AT THEIR SOLE RISK.
11. **Utility Bill & Net Metering Credits.** -The Utility Bill Credits and Net Metering Program (~~as described in the Purchase Agreement~~), are owned by, and for the exclusive use of Customer/City or their tenant. - In the event the actual Utility Bill Credits or Net Metering Credits received are greater or less than the expected, there will be no adjustment to the terms of this Agreement, and each Party waives its right to recover any surplus or deficiency from the other Party.
12. **Customer's Maximum Payment Obligation.** Customer's/City's maximum power payment obligation to Tenant under this Agreement is the sum of all the Power Payments listed in **Schedule A**.
13. **Power Payment Production Adjustment.** -Except where the reimbursement due under this Section is caused by Customer's/City's breach of this Agreement, or the Energy System being non-operational during Energy System replacement or Customer's/City's Maintenance performed in accordance with Sections 12(b) or 13 of the Facility Lease Agreement, if the Energy System does not produce at least 900 kWh per KW DC of nameplate capacity in any twelve month period on a calendar year basis, Tenant will reimburse Customer/City within sixty (60) days after the then end of that calendar year as follows:
- Total payments made over a calendar year \* (1 - (actual kWh/kWDC / 900 kWh/kWDC)).-
  - For example, an Energy System produces 750 kWh/kWDC nameplate capacity and power payments totaling \$1,000.00 are paid during a calendar year.- A \$62.50 cash reimbursement will be paid to Customer/City that is calculated as follows:- \$1,000.00 \* (1-750/900) = \$166.67.
14. **Miscellaneous.**
- Relationship of the Parties.** - The Parties will for all purposes be considered independent contractors with respect to each other, and neither will be considered an employee, employer, agent, principal, partner or joint venturer of the other.
  - Entire Agreement.** -This Agreement and all schedules, exhibits and attachments 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.
  - 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, will survive the execution of this Agreement and the consummation of the transactions contemplated herein.
  - Amendment.** ~~This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement.~~ 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 will have any effect.
  - Notices.** -All notices to be given under this Agreement will be in writing and will 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).
  - No Delay.** -No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder will operate as a waiver thereof.
  - 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, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
  - Governing Law / Venue.** -This Agreement will be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principals. -Any lawsuit brought in connection with this Agreement will be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
  - Severability.** -The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering will not

affect the validity and enforceability of the remainder of this Agreement.

j. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party will 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 will be of no force or effect. -As to any permitted assignment: (i) reasonable prior notice of any such assignment will be given to the other Party; and (ii) any assignee will 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 or to obtain financing, Tenant may, at its sole discretion, assign all or part of its rights under this Agreement to a controlled affiliate of Seller or Tenant, or assign this Agreement in connection with any sale or pledge of any or all of its assets to a third party or bank.

~~k. **UCC Terms.** All terms in this Agreement that are defined in the Minnesota Uniform Commercial Code, as amended from time to time ("UCC") will have the meanings set forth in the UCC and such meanings will automatically change at the time that any amendment to the UCC, which changes such meanings, becomes effective.~~

~~l.k. **Definitions.** Any capitalized term not defined herein will have the meaning given to it in the Purchase Agreement, unless otherwise stated.~~

~~m.l. **Marketing and Promotion.** -Tenant will not use Customer'sCity's name, image or likeness in connection with advertising and promoting the Project or the Energy System without Customer'sCity's approval, which will not be unreasonably withheld.~~

~~n.m. **Subordination to Utility Agreements.** - No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Tenant, CustomerCity or Customer'sCity's tenant (if any) are a party. -In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements will control. -Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. -Nothing in this Agreement will prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.~~

~~e.n. **Data Practices.** -Tenant considers the information contained in this Agreement related to the programs, methods, techniques and processes utilized by Tenant to offer and implement the Energy System to be trade secret information of Tenant as defined in the Minnesota Government Data Practices Act Ch. 13.37 Subd. 1 (b) GENERAL NONPUBLIC DATA. Subject to the requirements of the Minnesota Government Data Practices Act, in no event will this information be shared or disclosed with any person or third party without the prior written approval of Tenant. Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.~~

o. **Trade Secret.** Tennant asserts the information herein labeled as "Trade Secret" to meet the definition of a trade secret under Minn. Stat., § 13.37, subd. 2. Tenant acknowledges that under the Minnesota Data Practices Act, the final determination of whether the asserted information is made by the City. The City agrees to seek justification from Tenant for its assertions prior to any disclosure to a third party.

p. **Interest by Public Officials.** No elected official, officer, or employee of the City shall during his or her tenure or employment or for one year thereafter, have any interest, direct or indirect

The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Tenant  
**iDEAL Energies Solar Leasing, LLC**

By: \_\_\_\_\_  
Rich Ragatz, its Vice President

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

Customer:  
**City of Newport**

By: - \_\_\_\_\_  
Bruce Hanson, Laurie Elliott, its Superintendent Mayor

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

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

ATTEST

\_\_\_\_\_  
City Administrator

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



**SCHEDULE A  
Power Purchase Payment Schedule**

84.870 kW DC JinkoJKM410M Solar Panels with  
66.60 kW AC SolarEdge SE66.6k480V(1) Inverter(s)(s), SolarEdge ~~P860~~P960 Power Optimizers &  
-Unirac, PanelClaw (or equivalent) Ballasted Racking

**Xcel Photovoltaic Credit Rider Tariff**

iDEAL Energies Solar Leasing, LLC Utility Bill Expense		
Year	(Power Purchase Expense)	
	(\$/year)	(\$/month)
1	\$ 9,068.04	\$ 755.67
2	\$ 9,245.88	\$ 770.49
3	\$ 9,509. <del>1628</del>	\$ 792. <del>4344</del>
4	\$ 9,698. <del>2840</del>	\$ 808. <del>4920</del>
5	\$ 9,893. <del>5264</del>	\$ 824. <del>4647</del>
6	\$ 10,176.12	\$ 848.01
7	\$ 10,383. <del>6072</del>	\$ 865. <del>3031</del>
8	\$ 10, <del>597.92598.04</del>	\$ 883. <del>4617</del>
9	\$ 10,901. <del>2840</del>	\$ 908. <del>4445</del>
10	\$ 11,129. <del>0416</del>	\$ 927. <del>4243</del>
11	\$ 11,364. <del>1224</del>	\$ 947. <del>0102</del>
12	\$ 11,690. <del>1628</del>	\$ 974. <del>1819</del>
13	\$ 11,940. <del>0012</del>	\$ 995. <del>0001</del>
14	\$ 12,197. <del>7688</del>	\$ 1,016. <del>4849</del>
15	\$ 12,548. <del>4052</del>	\$ 1,045. <del>7071</del>
16	\$ 12,822. <del>4860</del>	\$ 1,068. <del>5455</del>
17	\$ 13,105. <del>0820</del>	\$ 1,092. <del>0910</del>
18	\$ 13,482. <del>6072</del>	\$ 1,123. <del>5556</del>
19	\$ 13, <del>782.96783.08</del>	\$ 1,148. <del>5859</del>
20	\$ 14, <del>092.80093.04</del>	\$ 1,174. <del>4042</del>
21	\$	\$
22	\$	\$
23	\$	\$
24	\$	\$
25	\$	\$
<b>Total</b>	<b>\$ 227,<del>629.20631.36</del></b>	



## Solar Array Purchase, Facility Lease & Power Purchase Agreements

84.870 kW DC JinkoJKM410M Solar Panels with  
66.60 kW AC SolarEdge SE66.6k480V(1) Inverter(s), SolarEdge P960 Power Optimizers & Unirac, PanelClaw  
(or equivalent) Ballasted Racking

### Xcel Photovoltaic Credit Rider Tariff

## Customer & Site Information

Effective Date:	[Date of City Motion/Resolution Authorizing Contract]
Customer:	<b>City of Newport</b>
Customer Corporate Form:	Minnesota City
Customer Mailing Address:	2060 1st Avenue, Newport, MN 55055
Customer Authorized Representative:	Authorized Rep Name
Customer Authorized Representative Tel:	Authorized Rep Tel #
Site Address:	<b>2060 1St Avenue, Newport, MN 55055</b>
Premise Number:	<b>Pending</b>
Site Owner:	City of Newport
Site Owner Mailing Address:	2060 1st Avenue, Newport, MN 55055
Utility:	Xcel, d/b/a Northern States Power, and its successors and assigns

## Project Information

Energy System Nameplate Capacity:	<b>84.870 kW DC</b> (+/- 0.50 kW DC) oriented at approximately 180°
Installation Cost:	<b>\$197,800.00</b>
Target Substantial Completion Date:	June 30, 2023
Tariff Name:	Xcel Photovoltaic Credit Rider Tariff
REC Owner:	Customer
Projected Tax Credit Percent:	26%
Solar Panel Description:	JinkoJKM410M (72 cell Tier 1, CEC listed, or DNV-GL Rated Top Performer)
Solar Panel Size in Watts DC:	410 (+/- 20 Watts DC)
Inverter Description:	SolarEdge SE66.6k480V(1) Inverter(s)
Total Inversion in kW AC:	<b>66.60 (kW AC)</b>
Power Optimizer Description:	SolarEdge P960 Power Optimizers
Solar Racking Description:	Unirac, PanelClaw (or equivalent) Ballasted Racking

## Facility Lease & Power Purchase Information

Site Use:	City Hall
Tenant:	iDEAL Energies Solar Leasing, LLC
Tenant Signer Name:	Rich Ragatz
Tenant Signer Title:	Vice President
Leased Space Rent Payment:	<b>\$90.00</b> per year
Leased Energy System Rent Payment:	<b>\$10.00</b> per year

## Purchase Agreement

### 84.870 kW DC JinkoJKM410M Solar Panels with 66.60 kW AC SolarEdge SE66.6k480V(1) Inverter(s), SolarEdge P960 Power Optimizers & Unirac, PanelClaw (or equivalent) Ballasted Racking

<b>Customer</b>	City of Newport
<b>Site</b>	2060 1St Avenue, Newport, MN 55055
<b>Xcel Premise #</b>	Pending

This **PURCHASE AGREEMENT** (“**Agreement**”), dated **December 2, 2021** (“**Effective Date**”) is between **IDEAL ENERGIES, LLC**, a Minnesota limited liability company, whose principal place of business is located at **8318 Pillsbury Avenue South, Bloomington, MN 55420** (“**Seller**”), and **City of Newport**, a municipal corporation organized under the laws of **Minnesota**, whose principal place of business is located at **596 7th Avenue, Newport, MN 55055** (“**City**”). Seller and City are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

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

1. **Project.** Seller will 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 with a Nameplate Capacity of **84.870 kW DC (+/- 0.50 kWDC)** on the Site, and perform Energy System commissioning. The “**Project**” will consist of the Energy System components identified on **Schedule A (“System Components”)** and the Project's design documents (“**Design Documents**”).
2. **Title and Risk of Loss.** Title and risk of loss for the Energy System and Design Documents will pass to City upon Substantial Completion (as defined below). Notwithstanding the foregoing, as of the Effective Date, and as further set forth in this Agreement, City agrees to maintain insurance in its own name, and with Seller as an additional insured, to fully insure the Site during the term of this Agreement.
3. **Purchase and Sale; Installation Cost; Payment Terms.** City agrees to purchase from Seller the Project and the services provided for hereunder for the total installation cost of **\$197,800.00 (“Installation Cost”)**. The Installation Cost for the Project will be paid pursuant to the Facility Lease Agreement. The actual Installation Cost paid to Seller and/or the Tenant's Tax Basis for the Energy System may vary from the amounts stated or contemplated by this Agreement.
4. **City's Representations and Responsibilities.**
  - a. City represents the City is seized of good and sufficient title and interest to the Site.
  - b. City represents the undersigned have full authority to enter into this contract, as authorized by [**City Motion/Resolution**].
  - c. City represents that it is not a party to any litigation that would materially or adversely affect its ability to enter into or perform under the Transaction Documents.
  - d. The City Representative listed in **Schedule B (“City's Representative”)** will serve as the Seller's Site contact and will inform the Seller of the appropriate City contacts for: communication regarding the construction process, approval of the Design Documents, coordination with Seller regarding construction activities, and the 24-hour contact for communicating with Utility for any planned or emergency issues related to the Energy System.
  - e. Where any of the City's utility meters are located indoors, City will provide Utility with 24-hour, escorted access to all the utility meters.
  - f. City will, at least three weeks before the Target Substantial Completion Date, provide and maintain either a wireless internet connection or a RJ45 Internet outlet at the electrical room for connecting the Energy System's web-based monitoring equipment. If City does not provide the foregoing, Seller will provide and install a cellular device for exclusive use by the Energy System, as set forth on **Schedule A**. City will be responsible for any cellular service provider data charges.
5. **Seller's Representations and Responsibilities.**
  - a. As a part of the Project, Seller will provide all System Components, Design Documents, labor, equipment, supplies and services necessary to install the Energy System at the Site in accordance with the “Scope of Work” described in **Schedule C (“Work”)**.
  - b. Seller will comply with all applicable laws, rules, regulations, governmental approvals and permits, including all applicable agreements with, and tariffs of, the Utility (collectively, “**Applicable Requirements**”).
  - c. For purposes of qualifying the Projected Tax Credit, Seller bears the sole risk of (i) taking appropriate action to establish by facts and circumstances that the Project's construction has begun in 2022 or is safe harbored during 2022, in accordance with the requirements of IRC Revenue Notice 2018-59, and (ii) any future IRS determination that the Tax Credit for which the Project is qualified is less than the Projected Tax Credit, including any determination that the Project is disqualified from the Tax Credit.
6. **Project Schedule; Substantial Completion; Final Completion.**
  - a. Customer and Seller will work together to develop a proposed work plan and schedule for the Project (“**Project Schedule**”) that is targeted to be substantially complete by **June 30, 2023 (“Target Substantial Completion Date”)**. If events arise which make achievement of Substantial Completion by the Target Substantial Completion Date impracticable, such as force majeure (as described in Section 16.g. below), availability of System Components or equipment, and other reasonable delays, Seller will promptly notify City of the same, and the Parties will adjust the Project Schedule accordingly. No penalties are due for changes or delays in execution of the Project Schedule.

- b. The Project will be substantially complete when the Utility performs a witness test and the Energy System is turned on and is capable and authorized under Applicable Requirements to generate and deliver electric energy to City and the Utility's electrical grid at the interconnection point ("**Substantial Completion**"). The date on which Substantial Completion is achieved is the "**Substantial Completion Date**".
- c. Upon Seller's completion of unfinished work remaining at the time of Substantial Completion ("**Punchlist Work**") the Project will be fully complete ("**Final Completion**").

7. **Changes.**

- a. If City elects to purchase any additional services from Seller, as further described on **Schedule A ("Optional Services")**, the Parties shall execute a written Amendment which will not become effective until authorized by the City Council by motion or resolution.
- b. If any change in the Project or the Work is required to address unforeseen Site conditions, the circumstances of Section 7c, changes in the Energy System size required to accommodate engineering and Site requirements, or other events or circumstances, the City's Representative and the Seller shall execute a written Change Order not requiring authorization by the City Council.
- c. Seller may substitute System Components in accordance with the requirements of this Section, as required to accommodate structural limitations of the Site, the availability of System Components (including changes in panel wattage available from manufacturers), Utility's requirements, or other reasons consistent with the intended purpose of this Agreement. Without requiring an Amendment, Seller may, at its sole discretion, substitute the following System Components:
  - i. For solar panels listed on Schedule A, Seller may substitute a solar panel with any standard or bi-facial polycrystalline, monocrystalline 72 cell high efficiency solar panel that (i) is Tier 1 rated, CEC listed, or a DNV-GL "Top Performer" (ii) has at least a 10-year manufacturer's workmanship warranty and a 25-year production warranty achieving at least 80% of its rated capacity ("Substitute Panels"), and (iii) is +/- 20 Watts DC and that results in a total variance in the Nameplate Capacity of +/- 0.50 kW DC.
  - ii. For Inverters listed on Schedule A, Seller may substitute an inverter(s) with any standard alternative inverter that is (i) of substantially equal electrical rating and (ii) has a warranty of equal or greater term as the inverter(s) listed on Schedule A.
  - iii. For Power Optimizers listed on Schedule A, if any, Seller may substitute a Power Optimizer with a model that is appropriately rated for the solar panels and inverters installed at the Site.
  - iv. For Racking listed on Schedule A, Seller may substitute Racking with any standard alternative Racking that is (i) substantially equal, and (ii) has a warranty of equal or greater term as the Racking listed on Schedule A.

8. **Tariff, Utility Bill Credits, Net Metering & Tax Credits.**  
 The Project may be eligible to receive the tariff, utility billing credits, net metering, and/or investment tax credits. Seller

will assist City with the application(s) for such programs, but City will be solely responsible for timely completion of the same.

9. **Insurance.**

- a. Seller will, at its own cost and expense, maintain in full force, the following insurance:

1. Commercial General Liability on an occurrence basis with contractual liability coverage:

General Aggregate, \$4,000,000

Products-Completed Operations Aggregate, \$2,000,000

Personal and Advertising Injury, \$1,000,000

Each Occurrence-Combined Bodily Injury and Property Damage, \$2,000,000

2. Workers' Compensation and Employer's Liability:

Workers' Compensation, Statutory Limits

Employer's Liability.

Bodily injury by:

Accident-Each Accident \$500,000

Disease-Policy Limit \$500,000

Disease-Each Employee \$500,000

3. Automobile Liability.

Combined bodily injury and property damage, \$1,500,000 per accident and \$3,000,000 annual aggregate.

An umbrella or excess policy over primary liability insurance coverages is an acceptable method to provide the required insurance limits.

The Seller's certificate(s) evidencing such insurance naming City as an additional insured prior to commencement of any work at the Site, is provided in **Schedule E.**

- b. After Substantial Completion has occurred, City will at all times, at its own cost and expense, maintain in full force and effect, insurance reasonable and customary for the Site and, for the Energy System and the System Components.

- c. City will provide the Seller and the Utility with a Certificate of Insurance that conforms with all applicable laws and regulations, including the Minnesota Distributed Energy Resources Interconnection Process ("MN DIP") v.2.3, or the latest version of the MN DIP approved by order of the Minnesota Public Utilities Commission.

- d. Waiver of Subrogation. The Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Leased Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the

Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

**WHETHER EXPRESS OR IMPLIED 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, CURRENT OR FUTURE UTILITY RATES, UTILITY FEES, INTERCONNECTION FEES, TARIFF PROGRAMS, NET METERING, THE AMOUNT OF OR CITY'S RECEIPT OF UTILITY BILL CREDITS OR NET METERING CREDITS OR SALE OF EXCESS ENERGY, 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.**

10. **Seller's Waiver and Indemnity Regarding Liens.**

- a. Seller shall keep the Site free and clear of all liens and claims of liens for labor, material, services, supplies and equipment performed on or furnished to Seller or any of the System Components in connection with the Seller's use of the Site.
- b. Seller will, 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 Seller's notice of its filing, any mechanic's, materialman's, or other lien in respect of 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, City may discharge, satisfy or settle such liens and Seller will, within thirty (30) days of a written request by City, reimburse City for all costs and expenses incurred by City to discharge, satisfy or settle such liens.
- c. Seller waives any right to file or impose any mechanic's, materialman's, or other liens with respect to the Site or the Energy System.
- d. Seller will promptly pay all undisputed amounts owed for services, materials, equipment, and labor furnished by any person to Seller with respect to the Project.

11. **Warranties.**

- a. Seller will provide the warranties set forth on **Schedule D**. 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 panels, inverters, power optimizers, racking, and monitoring equipment and their performance/energy output), will carry only the warranty of their manufacturer. More detailed information about warranties on the System Components are set forth on the applicable manufacturer's specification sheets and Operations Manual(s) provided to City, or available on the manufacturer's websites. Seller will cooperate with the City in pursuing any available warranties owned by Seller on System Components against the manufacturer by providing any and all information relevant to the System Components, including but not limited to, technical documentation, installation documentation, testing results, communications, and/or any media or other documentation related to the installation of the System Components.
- b. **EXCEPT AS EXPRESSLY PROVIDED IN SCHEDULE D, SELLER MAKES NO AND EXPRESSLY DISCLAIMS ALL WARRANTIES,**

- 12. **Ownership of Project Documents and Design.** All Design Documents for the Energy System will be the sole and exclusive property of City. City grants Seller an irrevocable perpetual, transferable, royalty free license to use the Design Documents for its own private use.

13. **Indemnification**

Parties shall indemnify and hold the other harmless against any and all claims, costs, losses, expenses, demands, actions, or causes of action resulting from or arising out of the installation of the Project, the use and occupancy of the Site, or the System Components by the Party, its employees, contractors or agents, including, without limitation, reasonable attorney's fees and other costs and expenses of litigation, which may be asserted against or incurred by the Party or for which Party may be liable in the performance of this Agreement, except to the extent such claims or damages may be due to or caused by the acts or omissions of the other Party, or its employees, contractors or agents. This Agreement to indemnify and hold harmless does not constitute a waiver by City of limitations on liability provided by any applicable Minnesota law, including Minnesota Statutes, Chapter 466. The obligations described in this Paragraph shall survive the expiration or termination of this Agreement.

- 14. **Termination.** This Agreement may be terminated as follows:

- a. Except where Seller includes the items below in the Installation Cost, Seller may terminate this Agreement in its sole discretion by providing City written notice in the event (i) the structural analysis indicates the Site is not in its then-current condition capable of supporting the Energy System unless accommodated by alternate equipment, structural retrofits or other requirements as specified in the structural engineering report that render the Site suitable for installing the Energy System, or (ii) the Utility requires engineering studies, interconnection expenses or site improvements as a condition to Seller installing the Project, or (iii) before construction begins, in the event Seller's performance under the terms of this Agreement would cause Seller significant detriment for reasons including but not limited to significant increases in equipment costs resulting from import tariffs or market variations, the unavailability of licensed labor, changes in law or other

similar events impairing the installation of the Energy System in accordance with the Project Schedule, or for the Installation Cost.

- b. Seller may terminate this Agreement by giving written notice to City at any time prior to completion of the Project in the event City has breached any representation, warranty or covenant contained in this Agreement in any material respect, Seller has notified City of the breach, and the breach has continued without cure by City or written waiver by Seller for a period of thirty (30) days after the notice of breach.
  - c. 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, and City has notified Seller of the breach, and the breach has continued without cure by Seller or written waiver by City for a period of thirty (30) days after the notice of the breach; or (ii) upon sixty (60) days' notice to Seller if Seller has not achieved Substantial Completion within one hundred eighty (180) days of the Target Substantial Completion Date not including any additional time related to delay of receipt of Utility interconnection approval, as may be extended pursuant to the terms of this Agreement. In such event, and subject to Section 16.6., the Parties acknowledge the 180-day period accounts for Force Majeure events, or other unforeseen delays in the Work, including but not limited to equipment supply and third-party approvals.
  - d. Upon termination of this Agreement pursuant to this Section 14, all rights and obligations of the Parties under this Agreement will terminate without any liability of any Party to any other Party, except (i) with respect to Section 13, Section 16, and as otherwise provided in this Section 14, and (ii) for any liability of any Party then in breach.
  - e. Except as otherwise provided in this Section 14, the termination rights under this Section 14 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.
15. **Roof Warranty.** Before installing the Energy System, Seller will take measures required to provide documentation to the City to keep the Site's existing or new roofing manufacturer warranty intact.
16. **Miscellaneous.**
- a. **Relationship of the Parties.** The Parties will for all purposes be considered independent contractors with respect to each other, and neither will be considered an employee, employer, agent, principal, partner or joint venturer of the other.
  - b. **Entire Agreement.** This Agreement and all schedules, exhibits and attachments 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.
  - c. **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, will survive the execution of this Agreement and the consummation of the transactions contemplated herein.
  - d. **Notices.** All notices to be given under this Agreement will be in writing and will 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).
  - e. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder will operate as a waiver thereof.
  - f. **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, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
  - g. **Governing Law / Venue.** This Agreement will be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principals. Any lawsuit brought in connection with this Agreement will be brought only in a court of general jurisdiction in Washington County, Minnesota.
  - h. **Severability.** The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering will not affect the validity and enforceability of the remainder of this Agreement.
  - i. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party will 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 will be of no force or effect. As to any permitted assignment: (i) reasonable prior notice of any such assignment will be given to the other Party; and (ii) any assignee will expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing. Notwithstanding the foregoing, Seller may, at its sole discretion, assign all or part of its interest under this Agreement to an affiliate of Seller or Tenant, or assign this Agreement in connection with any sale or pledge of any or all of its assets to a third party or bank.
  - j. **Marketing and Promotion.** Seller will not use City's name, image or likeness in connection with advertising and promoting the Project or the Energy System without City's approval, which will not be unreasonably withheld.

- k. **Subordination to Utility Agreements.** No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Tenant, or City are a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements will control. Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement will prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.
- l. **Data Practices.** Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
- m. **Trade Secret.** Seller asserts the information herein labeled as "Trade Secret" to meet the definition of a trade secret under Minn. Stat., § 13.37, subd. 2. Seller acknowledges that under the Minnesota Data Practices Act, the final determination of whether the asserted information is made by the City. The City agrees to seek justification from Seller for its assertions prior to any disclosure to a third party.

- n. **Interest by Public Officials.** No elected official, officer, or employee of the City shall during his or her tenure or employment or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.

The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Seller  
**IDEAL ENERGIES, LLC**

By: \_\_\_\_\_  
 Chris Psihos, its President

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

**City of Newport**

By: \_\_\_\_\_  
 Laurie Elliott, Its Mayor

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

ATTEST

\_\_\_\_\_  
 City Administrator

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

# SCHEDULE A

## System Components

**Included with Energy System:** The Energy System is comprised of the following System Components:

1. UL Listed and approved Solar Panels: **207 @ JinkoJKM410M solar panels each rated at 410 (+/- 10 Watts DC); 72 cell Tier 1, CEC listed, or DNV-GL Rated Top Performer oriented at approximately 180°**
2. UL listed and approved DC/AC inverters: **66.60 kW AC total; 1 @ SolarEdge SE66.6k480V(1) Inverter(s)**
3. SolarEdge Power Optimizers: **104 – SolarEdge P960 Power Optimizers (or equivalent)**
4. Solar Panel Racking / mounting system: **Unirac, PanelClaw (or equivalent) Ballasted Racking**
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 panels and interconnect with the Site's existing electric service excluding any Specialized Equipment as defined below. Electrical components including the inverters, transformers, disconnects and production meter will be located on the exterior of the building near existing electrical service unless otherwise agreed. If the main service utility meter is located indoors, a keypad or lockbox will be provided for allowing the Utility Company 24-hour access to the meter. The electrical conduit will be run on the exterior of the building. If required by the Energy System Engineering, Seller will provide and install mechanical roof attachments required to keep the Energy System immobile using a qualified Roofer.
6. Monitoring equipment and web-based remote system monitoring system. City is responsible for bringing, providing and paying for ethernet cable or cellular based internet service at the Site (typically the electrical room).
7. Where City's roofing manufacturer for EPDM, TPO, PVC or SBS roof membrane system(s) require that slip sheets of like kind roofing membrane ("Slip Sheets") be placed between the roof's membrane and the solar array racking pads to preserve the manufacturer's roof warranty, Slip Sheets will be installed by Seller.
8. For ground mounted systems, includes: (1) 200' AC trench run from array to interconnection location (additional cost for longer runs will be added to project cost at Seller's cost) (2) grass or mulch at the Seller's discretion (Customer is responsible for maintaining the grounds post installation), and (3) wire mesh for guarding of conductors (does not include fence).
9. If not provided by the Utility, a revenue grade meter for measuring and monitoring electrical production from the Energy System.

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

1. Relocation of existing electric circuits, or any upgrades to City's electrical service to bring it up to code or other Site-specific utility requirements including any relocation of existing utility meters to an exterior location to bring a Site up to code.
2. Any structural improvements to the building required to support the Energy System and the System Components.
3. Batteries or emergency back-up power capability.
4. Third-party fees for web-based monitoring of the Energy System.
5. Afterhours Labor and after-hours equipment rental (i.e., outside the weekday hours of 6am-6pm local prevailing time) / Weekend Labor.
6. Tree removal, gas line relocation, fencing or guardrails around roof perimeter.
7. Seller-provided cellular device for web-based System monitoring: \$1200
8. Non-customary design requests, any other item or service not described in this Schedule A including but not limited to step up/down transformers to/from 480V 3 Phase, roof penetrations, conduit run through building interior, powder coated or other special materials to match building, roofing (roof spudding, upgrades or re-certifications), landscaping or screening around solar array exterior.

**SCHEDULE B**  
**Contact Information for Parties**

**Customer:** **City of Newport**  
596 7th Avenue, Newport, MN 55055

**Site Owner:** **City of Newport**  
596 7th Avenue, Newport, MN 55055

**City's Representative:** **Authorized Rep Name**  
Authorized Rep Tel #

**Seller/Installer:** **Ideal Energies, LLC**  
Chris Psihos t. (612)928-5008  
[chris.psihos@idealenergies.com](mailto:chris.psihos@idealenergies.com)  
8318 Pillsbury Avenue South, Bloomington, MN 55420

**Project Electrician(s):** **Green<sup>2</sup> Electric, LLC** License **EA719118**  
Robert Buskirk & Russell Goetze Master Electricians  
t. (612)928-5008 f: (612)928-5009  
8318 Pillsbury Avenue South Bloomington, MN 55420

## **SCHEDULE C**

### **Seller's 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 Substantial Completion.
5. Seller will prepare all documentation required by Utility for City to interconnect the Energy System with Utility's electrical grid at the interconnection point.
6. Seller will prepare all documentation required by Utility for City to apply for interconnection.

#### **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 City'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 City 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 provide to City copies of all operating and maintenance manuals and third-party warranties.

## **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, for a period beginning on the Substantial Completion Date and ending five years later (the "**Warranty Period**"), if 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 City properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to City, 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 City properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to City, 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 Substantial Completion. If City notifies Seller within the Warranty Period that any System Components were not new or were, at that time, physically damaged by Seller at the time of Substantial Completion, Seller will 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 City properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to City, 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 any applicable operations or maintenance manual or any other maintenance instructions provided by Seller or the manufacturer of the System Components, or failure to properly 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 City 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, force majeure (as described in Section 16.g. of the Purchase Agreement) 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 timely remedy any breach of warranty under this **Schedule D** or such breach threatens imminent harm to City or its property, City will have the right to employ any reasonable means necessary to remedy such breach, and Seller will reimburse City for all reasonable and necessary expenses incurred by City in carrying out such remedy.



**Facility Lease Agreement**

**84.870 kW DC JinkoJKM410M Solar Panels with  
66.60 kW AC SolarEdge SE66.6k480V(1)  
Inverter(s), SolarEdge P960 Power Optimizers &  
Unirac, PanelClaw (or equivalent) Ballasted  
Racking**

<b>City</b>	<b>City of Newport</b>
<b>Site</b>	2060 1St Avenue, Newport, MN 55055
<b>Xcel Premise #</b>	Pending

**Xcel Photovoltaic Credit Rider Tariff**

This **FACILITY LEASE AGREEMENT** (“**Agreement**”), dated **August 10, 2022** (“**Effective Date**”) is between **iDEAL Energies Solar Leasing, LLC**, a Minnesota limited liability company, whose principal place of business is located at **8318 Pillsbury Avenue South, Bloomington, MN 55420** (“**Tenant**”), and **City of Newport**, a **Minnesota City**, whose principal place of business is located at **596 7th Avenue, Newport, MN 55055** (“**City**”). Tenant and City are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

**RECITALS**

- A. City is the owner or Tenant of that certain Site located at **2060 1St Avenue, Newport, MN 55055** presently used as an **City Hall** (“**Site**”);
- B. Tenant desires to lease from City, and City desires and is authorized to lease to Tenant, subject to the terms and conditions of this Agreement, a portion of the Site for the construction, operation and maintenance of a photovoltaic solar electric system (“**Energy System**”) as further described in that certain Purchase Agreement between City and **Ideal Energies, LLC** (“**Seller**”) of even date herewith (“**Purchase Agreement**”);
- C. Customer will be the legal owner of the Energy System upon purchase from Seller, and City desires to lease the same to Tenant subject to the terms and conditions of this Agreement;
- D. Tenant and City will, in connection with this Agreement, enter into a Power Purchase Agreement (“**Power Purchase Agreement**”) pursuant to which Tenant will sell power generated by the Energy System to City;
- E. For federal tax purposes, City and Tenant will treat this Agreement as a transfer of the ownership of the Energy System from City to Tenant;
- F. The Project may be eligible to receive an investment tax credit from the U.S. Treasury, pursuant to Section 48 of the IRS Code (“**Tax Credit**”). The Tax Credit is worth **26%** of the Project’s eligible costs (“**Projected Tax Credit**”), if the Project is “placed-in-service” in 2021 or 2022, or satisfies IRS requirements as having “begun construction” in 2022. Alternatively, the Tax Credit will be worth **22%** of the Project’s eligible costs if the Project is “placed-in-service” in 2023, or satisfies IRS requirements as having “begun construction” in 2023. The eligible cost basis for the Tax Credit may differ from the Installation Cost.
- G. Any capitalized term not defined herein will have the meaning given to it in the Purchase Agreement, unless otherwise stated.

**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 Substantial Completion occurring for the Project in accordance with the terms of the Purchase Agreement.
- 2. **Lease of Energy System and Leased Space.** City hereby leases to Tenant, and Tenant hereby leases from City the following: (a) the Energy System, and (b) all roof/ground space required for the installation and operation of the Energy System on the Site (“**Leased Space**”) as generally prescribed on the Plan View Drawing included herewith as **Schedule A**, including rights to place wiring to the point of interconnection. The Energy System and the Leased Space together constitute the leased property (“**Leased Property**”). The Plan View Drawing provided to City by Seller in its Operations Manual after Substantial Completion occurs is hereby incorporated into **Schedule A** of this Agreement by reference.
- 3. **System Payments, Tax Ownership.**
  - a. **Installation Cost Payment.** Tenant hereby assumes in full and agrees to pay City’s Installation Cost within 15 days after the Substantial Completion Date, as defined in the Purchase Agreement.
  - b. **Transfer of Tax Ownership.** The Parties will treat the Energy System as having been sold to Tenant for federal tax purposes in consideration of the payment(s) made under Section 3.a above.
- 4. **Access to Leased Space.** City grants to Tenant the right to access the Leased Space via reasonable route(s) over and across the Site upon reasonable prior notice to City. City will cooperate with Tenant to access the electrical meter or any other part of the Energy System, if not located within the Leased Property.
- 5. **Permitted Use of Leased Space.** During the Term (as defined below), Tenant will 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 this Agreement and the Power Purchase Agreement (“**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 City's written consent, which consent will not be unreasonably withheld, delayed or conditioned provided the other facilities or equipment are related to the operation of the Energy System and are not likely, in City's reasonable opinion, to damage the Site or materially interfere with City's business.

6. **Term.** The term of this Agreement will begin on the Substantial Completion Date and will terminate on the 20<sup>th</sup> anniversary thereafter ("**Term**").
7. **Rent of Leased Space.** Beginning on the first anniversary of the Substantial Completion and continuing on each and every anniversary thereof throughout the Term, Tenant will pay to City rent for the Leased Space. Such rent will be **\$90.00** per year ("**Leased Space Rent**").
8. **Rent of Energy System.** Beginning on the first anniversary of the Substantial Completion and continuing on each and every anniversary thereof throughout the Term, Tenant will pay to City rent for the Energy System. Such rent will be **\$10.00** per year ("**Energy System Rent**").
9. **Holdover.** If Tenant holds over its tenancy after expiration of the Term, such tenancy will 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.
10. **Operating Permits.** Tenant will, 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 having jurisdiction over Tenant or the Leased Property.
11. **Energy System Title and Condition on Facility Lease Termination.** 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 and its System Components, will be and remain with City, as the Energy System owner. Tenant will leave the Energy System at the end of this Agreement in substantially the same condition as existed on the Substantial Completion Date plus any improvements, ordinary wear and tear and casualty damage excepted.
12. **Energy System Operation and Maintenance.** At Tenant's expense, Tenant will monitor the Energy System's performance and keep and maintain the Energy System in good condition and repair in accordance with the Maintenance Services provided in **Schedule B**; *provided, however*, the Parties acknowledge **Schedule B** is a guideline, to which strict adherence is not expected by the Parties ("**Maintenance Services**"). Tenant will assist City in resolving any of the City's warranties (as the Energy System owner) relating to System Components as described in **Schedule B**. Tenant will prevent any liens from attaching to the Leased Space or the Site resulting from its maintenance activities, and will defend, indemnify, and hold City harmless from the same. In the event Seller fails to meet such obligation, City may discharge, satisfy, or settle such liens and Tenant will, within thirty (30) days of a written request by City, reimburse City for all costs and expenses incurred by City, including but not limited to attorneys' fees.
13. **Customer's Repair of Leased Space During Term.** City will 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 Maintenance**"). City will provide thirty (30) days prior notice of any scheduled City Maintenance, except in the case of an emergency, City will give notice as soon as practicable. City, at its own cost, will perform City Maintenance, and use Seller or another third party approved by Tenant to perform services required to be performed to the Energy System during City Maintenance (Tenant's approval of third parties will not be unreasonably withheld). City Maintenance will be performed at Tenant's expense to the extent the City Maintenance was required as a result of damage to the Leased Space caused by Tenant.

14. **Utilities / Taxes.** After Substantial Completion Date, Tenant will pay all taxes and assessments levied upon the Energy System and other personal property located and/or installed on the Site by Tenant that are related and attributed to consideration paid to City by Tenant for the Leased Space and the lease of the Energy System.
15. **Interference.**
  - a. **Interference by Tenant.** Tenant will operate the Energy System in a manner that will not unreasonably interfere with any existing operations or equipment located, operated or owned by City or any other permitted occupants as of the date of this Agreement. All operations by Tenant will 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 and any applicable agreements with, or tariffs of, the local utility.
  - b. **Interference by City.** Following installation of the Energy System, City will 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 would interfere with the Energy System or its performance. City will 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 City to be a bona fide emergency, in which case City will immediately notify Tenant of such emergency and City's proposed actions. City will be responsible for, and promptly notify Tenant, of any damage to the Energy System caused by the City or its employees, invitees or agents, and will promptly pay Tenant the costs to repair such damage to the Energy System, and Power Payments (as defined in the Power Purchase Agreement) due to Tenant.
16. **Indemnification.** Subject to Paragraph 17 below, each Party shall indemnify and hold the other harmless against any and all claims, costs, losses, expenses, demands, actions, or causes of action resulting from or arising out of the use and occupancy of the Leased Space or the Energy System by the Party, its employees, contractors or agents, including, without limitation, reasonable attorney's fees and other costs and expenses of litigation, which may be asserted against or incurred by the Party or for which Party may be liable in the performance of this Agreement, except to the extent such claims or damages may be due to or caused by the acts or omissions of the other Party, or its employees, contractors or agents. This Agreement to

indemnify and hold harmless does not constitute a waiver by City of limitations on liability provided by any applicable Minnesota law, including Minnesota Statutes, Chapter 466. The obligations described in this Paragraph shall survive the expiration or termination of this Agreement.

17. INSURANCE.

a. Tenant's Required Coverages.

- i. Comprehensive General Liability; Worker's Compensation and Unemployment Compensation Coverage. Tenant shall carry and maintain adequate insurance to protect the Parties against any and all claims, demands, actions, judgments, expenses, and liabilities which may arise out of or result directly or indirectly from Tenant's use of the Leased Premises. Any applicable policies shall list the City as an additional insured and shall provide that it will be the primary coverage. The insurance coverage must include, at least, occurrence form Comprehensive General Liability coverage, including hazards of premises/operation coverage, bodily injury, property damage-third party, personal injury, independent contractors liability, products/completed operations coverage, and contractual liability coverage. The Tenant must maintain the aforementioned comprehensive general liability coverage with limits of liability not less than \$2,000,000 each occurrence; \$2,000,000 personal and advertising injury; \$4,000,000 general aggregate, and \$2,000,000 products and completed operations aggregate or the amounts for the same in Tenant's respective insurance certificates, whichever is greater. These limits may be satisfied by the comprehensive general liability coverage or in combination with an umbrella or excess liability policy, provided coverage afforded by the umbrella or excess policy are no less than the underlying comprehensive general liability coverages. Tenant shall maintain Completed Operations coverage for a minimum of two years after the construction is completed. Tenant shall also maintain Worker's Compensation and Unemployment Compensation coverage for itself and its employees as required under the laws of the State of Minnesota providing Employer's Liability coverage with limits of not less than \$500,000 Bodily Injury each accident, \$500,000 Bodily Injury by disease, policy limit, and \$500,000 Bodily Injury by disease, each employee. City agrees that it is subject to Minnesota Statutes Section 466.
- ii. Automobile Liability. The Tenant must also carry automobile liability coverage. Coverage shall afford total liability limits for bodily injury liability and property

damage liability in the amount of \$1,500,000 per accident and \$3,000,000 annual aggregate. The liability limits may be afforded under the commercial policy, or in combination with an umbrella or excess liability policy, provided coverages afforded by the umbrella excess policy are no less than the underlying commercial auto liability coverage. Coverage shall be provided for bodily injury and property damage for the ownership, use, maintenance or operation of all owned, non-owned and hired automobiles. The commercial automobile policy shall include at least statutory personal injury protection, uninsured motorists and underinsured motorist coverages.

- iii. Tenant Owned Property Insurance. Tenant must keep in force during the term and any renewals of the Lease a policy covering damage to its own property at the Leased Premises. The amount of coverage shall be sufficient to replace the damaged property, loss of use and comply with any ordinance or law requirements.
  - iv. Hazardous Materials Coverage. Tenant must carry sufficient coverage, to the reasonable satisfaction of City, for damage caused by hazardous materials.
  - v. Evidence of Insurance. Tenant shall provide, prior to the commencement date and before each renewal of the Lease term, evidence of the required insurance in the form of a Certificate of Insurance issued by an insurance company (rated A+ or better by Best Insurance Guide) licensed to do business in the State of Minnesota, which includes all coverages required above. Said Certificate shall also provide that coverage may not be cancelled, non-renewed, or materially reduced without prior written notice to City.
  - vi. Adjustment to Insurance Coverage Limits. The coverage limits set forth herein shall be increased from time to time as reasonably required by City and in no case shall fall below the statutory tort limit contained in Minnesota Statutes, Chapter 466, as the same may be amended from time to time.
- b. City's Required Coverages. City will (i) keep the Energy System insured against loss by fire, theft, hail and wind (ii) at all times will insure the Energy System at an amount equal to its replacement cost and (iii) will provide Tenant with a certificate of insurance that names Tenant as an additional insured and loss payee
  - c. Waiver of Subrogation. The Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Leased Premises or to the Property, resulting from any

fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

18. **Miscellaneous.**

- a. **Relationship of the Parties.** The Parties will for all purposes be considered independent contractors with respect to each other, and neither will be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- b. **Entire Agreement.** This Agreement and all schedules, exhibits and attachments 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.
- c. **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, will survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- d. **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 will have any effect.
- e. **Notices.** All notices to be given under this Agreement will be in writing and will 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).
- f. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder will operate as a waiver thereof.
- g. **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, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.

- h. **Governing Law / Venue.** This Agreement will be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principals. Any lawsuit brought in connection with this Agreement will be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- i. **Severability.** The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering will not affect the validity and enforceability of the remainder of this Agreement.
- j. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party will 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 will be of no force or effect. As to any permitted assignment: (i) reasonable prior notice of any such assignment will be given to the other Party; and (ii) any assignee will 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 or to obtain financing, Tenant may, at its sole discretion, assign and/or sublease all or part of its interest under this Agreement to a controlled affiliate of Seller or Tenant, or assign this Agreement in connection with any sale or pledge of any or all of its assets to a third party or bank.
- k. **Definitions.** Any capitalized term not defined herein will have the meaning given to it in the Purchase Agreement, unless otherwise stated.
- l. **Marketing and Promotion.** Tenant will not use City's name, image or likeness in connection with advertising and promoting the Project or the Energy System without City's approval, which will not be unreasonably withheld.
- m. **Subordination to Utility Agreements.** No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Tenant, City or City's tenants (if any) are a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements will control. Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement will prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.
- n. **Data Practices.** Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
- o. **Trade Secret.** Tennant asserts the information herein labeled as "Trade Secret" to meet the definition of a trade secret under Minn. Stat., § 13.37, subd. 2. Tenant acknowledges that under the Minnesota Data Practices Act, the final determination of whether the asserted information is made by the City. The City

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agrees to seek justification from Tenant for its assertions prior to any disclosure to a third party.

- p. Interest by Public Officials. No elected official, officer, or employee of the City shall during his or her tenure or employment or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.

The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Tenant  
**IDEAL Energies Solar Leasing, LLC**

By: \_\_\_\_\_  
Rich Ragatz, its Vice President

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

City  
**City of Newport**

By: \_\_\_\_\_  
Laurie Elliott, its Mayor

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

ATTEST

\_\_\_\_\_  
City Administrator

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

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**SCHEDULE A**  
**Site Plan**

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 Site

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

## **SCHEDULE B**

### **Maintenance Services**

**1. 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 operate the Energy System in accordance with the Design Documents and manufacturers' Operating Manuals (as described in the Purchase Agreement). Notwithstanding the foregoing, the Parties understand that delays may be caused by multiple reasons including without limitation, delay in the identification of operational issues, troubleshooting issues, warranty replacement, warranty procurement, force majeure, parts availability, parts delivery, crew availability, equipment defects, equipment performance, internet downtime, and similar causes.

**2. Maintenance Services.** The following Maintenance Services are provided by Tenant at Tenant's sole expense as described in Section 12 of this Agreement:

- 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 the Energy System performing the following tasks
  - 1. Inspect panels, inverters, and racking for physical damage
  - 2. Clean any debris on or under the solar arrays
  - 3. Ensure labels are intact
  - 4. Check for loose hanging wires, repair as necessary
  - 5. Check electrical connections, tighten/torque as necessary
  - 6. Check for corrosion of electrical enclosures, repair as necessary
- D. Tenant will manage System Component warranty claims on behalf of City

**3. Fees for parts replaced under manufacturer's warranty.** For twelve (12) months after the Substantial Completion Date, Tenant will provide the services described in Section 12a at Tenant's sole expense. Beginning on the thirteenth (13) month, the following fees will be charged to City where Tenant removes and reinstalls parts that are available and replaced under the manufacturer's warranty. Inverters will be serviced as soon as possible after identification of a performance issue. After identification of performance issues, Optimizers will be replaced at least quarterly.

- 1. Panel Replacement & Recycling Services - \$150 / each
- 2. Optimizer Replacement Services - \$65 / each
- 3. Inverter Replacement Services
  - o 20 to 50 kW inverter - \$200 / each
  - o 51 to 100 kW inverter - \$400 / each

**4. Payment for Services.** Payment is due for any services provided by Tenant under Section 3 above net 30 days from Tenant's invoice date.

**SCHEDULE C**  
**iDEAL Energies Solar Leasing, LLC**  
**Insurance Requirements for Solar Equipment**

Contact your insurance company and let them know you are installing solar equipment and need to insure it. Have them issue a Certificate of Insurance described below as required to comply your Facility Lease Agreement's requirements. If your insurance company has any questions about the equipment, the installation or the below, please have them contact **Wendy Vorasane** of iDEAL Energies at **612.928.5008**.

Please have a copy of the Certificate of Insurance emailed to [wendy.vorasane@idealenergies.com](mailto:wendy.vorasane@idealenergies.com).

1. List the following information in the 'Certificate Holder's' box:

**iDEAL Energies Solar Leasing, LLC 5810 Nicollet Avenue, Minneapolis, MN 55419**

2. List the following (or equivalent language) in the 'Descriptions of Operations / Locations / Vehicles' box:

**iDEAL Energies Solar Leasing, LLC is named as an additional insured and Loss Payee for the Energy System. Should any of the above-described policies be cancelled before the expiration date, 30 days-notice will be sent in accordance with the policy provisions.**

**Note:**

For the purposes of insuring your Energy System, the current replacement cost of the solar equipment is estimated at **\$158,200.00**.

**Power Purchase Agreement**

**84.870 kW DC JinkoJKM410M Solar Panels with  
66.60 kW AC SolarEdge SE66.6k480V(1)  
Inverter(s), SolarEdge P960 Power Optimizers &  
Unirac, PanelClaw (or equivalent) Ballasted  
Racking**

<b>City</b>	<b>City of Newport</b>
<b>Site</b>	2060 1St Avenue, Newport, MN 55055
<b>Xcel Premise #</b>	Pending

**Xcel Photovoltaic Credit Rider Tariff**

This **POWER PURCHASE AGREEMENT** (“**Agreement**”), dated **August 10, 2022** (“**Effective Date**”) is between **iDEAL Energies Solar Leasing, LLC**, a Minnesota limited liability company, whose principal place of business is located at **8318 Pillsbury Avenue South, Bloomington, MN 55420** (“**Tenant**”), and **City of Newport**, a **Minnesota City**, whose principal place of business is located at **596 7th Avenue, Newport, MN 55055** (“**Customer**”). Tenant and City are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

**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 Substantial Completion occurring for the Project in accordance with the terms of the Purchase Agreement.
2. **Power Purchase.** Tenant will deliver all power generated from the Energy System to City at the point of interconnection shown on Schedule A of the Facility Lease Agreement.
  - a. **Power Payments.** City 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** (“**Power Payments**”).
  - b. **Access to Data.** City agrees to provide Tenant with online access to its monthly utility bills and available data downloads from Utility that are permitted to be provided to third parties.
  - c. **Payment Remittance / Sales Tax.** The Power Payments are due monthly beginning on the first day of the first month following the Substantial 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 City’s applicable sales tax rate. City will remit and mail payments to Tenant, or its assignee, to the address below:
 

**iDEAL Energies Solar Leasing, LLC**  
8318 Pillsbury Avenue South  
Bloomington, MN 55420
3. **Ownership of Renewable Energy Credits.** If required by the Utility Agreements, City will convey to the Utility all RECs generated by the Energy System for the term specified in the Utility Agreements. Subject to any required assignment to the Utility, City owns all RECs. 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 will also include any other environmental attribute intended to be transferred to the Utility under the Utility Agreements.
4. **Term.** The term of this Agreement will begin on the Substantial Completion Date and will terminate on the **20<sup>th</sup>** anniversary thereafter (“**Term**”).

**RECITALS**

- A. Tenant leases, operates and maintains City’s photovoltaic solar electric system (“**Energy System**”) located at the Site, as defined in that certain **Purchase Agreement** between City and **Ideal Energies, LLC** (“**Seller**”) of even date herewith (“**Purchase Agreement**”) pursuant to a Facility Lease Agreement between the Parties of even date herewith (“**Facility Lease Agreement**”);
- B. Tenant desires to sell renewable electric power inclusive of all rights to its available environmental attributes to City, and City desires to purchase from Tenant all such electricity which is produced by the Energy System;
- C. Customer has or will apply for the Tariff. Contemporaneous or near the Substantial Completion Date for the Energy System, City will enter into an agreement(s) (“**Utility Agreement**”, as may be amended) with Utility pursuant to which City (or their tenant) owns Renewable Energy Credits (“**RECs**”) for the electricity produced by the Energy System;
- D. Customer may be 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 City at the applicable rate specified in the Utility Agreements;
- E. Pursuant to the Facility Lease Agreement, Tenant may be eligible to receive a Federal Tax Credit from the U.S. Treasury if applicable equal to **26%** of the eligible Installation Cost for Energy Systems that are placed in service or safe-harbored in accordance with the requirements of IRC Revenue Notice 2018-59 during 2021 or 2022, or **22%** of the eligible Installation Cost for Energy Systems that are placed in service or safe-harbored in accordance with the requirements of IRC Revenue Notice 2018-59 during 2023 (“**Tax Credit**”). The eligible cost basis for the Tax Credit may differ from the Installation Cost; and
- F. Any capitalized term not defined herein will have the meaning given to it in the Purchase Agreement, unless otherwise stated.

5. **Late Charge.** In the event City fails to make any Power Payment when due, City agrees that Tenant may charge interest at the rate provided in Minnesota Statutes 549.09, subd. 1(c)(1)(i), on a monthly basis on the amount of any Power Payment remaining unpaid more than ten (10) days from the due date until paid in full.
6. **Grant of Security Interest.** To secure the payment and performance of all of City's liabilities, obligations and covenants under this Agreement or the Facility Lease Agreement, City hereby grants to Tenant a continuing security interest in all RECs, in the Energy System, together with all attachments, accessories or replacement parts placed upon the Energy System, and in all proceeds of each of the foregoing. Upon the request of Tenant, City will promptly obtain a subordination agreement in favor of Tenant from any third-party lienholder who may have a lien or security interest in any of the foregoing. Tenant's security interest and other rights under this Section 6 will be extinguished upon the later of termination of this Agreement and the Facility Lease Agreement and performance of all of City's obligations hereunder and thereunder, and Tenant will execute and file any evidence of such extinguishment reasonably requested by City.
7. **Insurance.** Customer will keep the Energy System insured against loss by fire, theft, hail and wind and such other hazards as required by the Facility Lease Agreement. The loss, injury or destruction of the Energy System will not release Customer from making all Power Payments.
8. **Events of Default.** Each of the following will constitute an event of default ("**Event of Default**"):
  - a. Customer will fail to make any payment to Tenant when due hereunder, Tenant has notified City of such failure, and the failure has continued without cure by City or written waiver by Tenant for a period of thirty (30) days after the notice of failure;
  - b. Customer will breach in any material respect any representation, warranty or covenant contained in any Transaction Documents (as defined in the Purchase Agreement), Tenant has notified City of the breach, and the breach has continued without cure by City or written waiver by Tenant for a period of thirty (30) days after the notice of breach;
  - c. Customer will 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 will be filed under any bankruptcy statute against City or any receiver, trustee, or similar official will be appointed to take possession of the properties of City unless such petition or appointment ceases to be in effect within thirty (30) days of such filing or appointment;
  - e. The City fails to comply with any of its obligations under any of City's agreements with the Utility; or
  - f. The City's failure or refusal to repair and recommission an Energy System following a casualty loss.
9. **Remedies.**
  - a. If an Event of Default occurs, 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 of the Event of Default;
    - iii. Enforce the security interest granted hereunder, in which event City agrees to make the Energy System available to Tenant at a place or places acceptable to Tenant and Tenant will 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 will offset any amounts due under this Agreement;
    - iv. Retain all payments made by City as liquidated damages for the non-performance of this Agreement, for use of the Energy System and for depreciation thereof;
  - 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 as determined by a qualified independent third-party appraiser is not sufficient to pay the amount due under this Agreement, City 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 City is required to pay Tenant under this Agreement, Tenant agrees to pay immediately to City such excess.
  - c. The remedies provided herein will 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 will 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 UTILITY BILL CREDITS, [INCENTIVES/RECS], NET METERING CREDITS, AND UTILITY BILL SAVINGS THAT ARE RECOGNIZED BY THE PROJECT WILL VARY WITH UTILITY RATES, THE ENERGY SYSTEM'S ENERGY PRODUCTION, ACTUAL SITE ENERGY DEMAND OR CONSUMPTION PROFILES, OR SIMILAR, AND THAT THE ACTUAL AMOUNTS**

**RECOGNIZED OR RECEIVED BY THE PARTIES WILL VARY ACCORDINGLY. Tenant DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, THAT PRODUCTION WILL MATCH PROJECTIONS, AND CITY AND TENANT ASSUME THE VARIABILITY OF POTENTIAL OUTCOMES AT THEIR SOLE RISK.**

11. **Utility Bill & Net Metering Credits.** The Utility Bill Credits and Net Metering Program are owned by, and for the exclusive use of City or their tenant. In the event the actual Utility Bill Credits or Net Metering Credits received are greater or less than the expected, there will be no adjustment to the terms of this Agreement, and each Party waives its right to recover any surplus or deficiency from the other Party.

12. **Customer's Maximum Payment Obligation.** City's maximum power payment obligation to Tenant under this Agreement is the sum of all the Power Payments listed in Schedule A.

13. **Power Payment Production Adjustment.** Except where the reimbursement due under this Section is caused by City's breach of this Agreement, or the Energy System being non-operational during Energy System replacement or City's Maintenance performed in accordance with Sections 12(b) or 13 of the Facility Lease Agreement, if the Energy System does not produce at least 900 kWh per KW DC of nameplate capacity in any twelve month period on a calendar year basis, Tenant will reimburse City within sixty (60) days after the then end of that calendar year as follows:

- a. Total payments made over a calendar year \* (1 - (actual kWh/kWDC / 900 kWh/kWDC)).
- b. For example, an Energy System produces 750 kWh/kWDC nameplate capacity and power payments totaling \$1,000.00 are paid during a calendar year. A \$62.50 cash reimbursement will be paid to City that is calculated as follows:  $\$1,000.00 * (1 - 750/900) = \$166.67$ .

14. **Miscellaneous.**

- a. **Relationship of the Parties.** The Parties will for all purposes be considered independent contractors with respect to each other, and neither will be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- b. **Entire Agreement.** This Agreement and all schedules, exhibits and attachments 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.
- c. **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, will survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- d. **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 will have any effect.

- e. **Notices.** All notices to be given under this Agreement will be in writing and will 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).
- f. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder will operate as a waiver thereof.
- g. **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, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- h. **Governing Law / Venue.** This Agreement will be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principals. Any lawsuit brought in connection with this Agreement will be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- i. **Severability.** The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering will not affect the validity and enforceability of the remainder of this Agreement.
- j. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party will 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 will be of no force or effect. As to any permitted assignment: (i) reasonable prior notice of any such assignment will be given to the other Party; and (ii) any assignee will 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 or to obtain financing, Tenant may, at its sole discretion, assign all or part of its rights under this Agreement to a controlled affiliate of Seller or Tenant, or assign this Agreement in connection with any sale or pledge of any or all of its assets to a third party or bank.
- k. **Definitions.** Any capitalized term not defined herein will have the meaning given to it in the Purchase Agreement, unless otherwise stated.
- l. **Marketing and Promotion.** Tenant will not use City's name, image or likeness in connection with advertising

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and promoting the Project or the Energy System without City's approval, which will not be unreasonably withheld.

m. **Subordination to Utility Agreements.** No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Tenant, City or City's tenant (if any) are a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements will control. Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement will prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.

- n. **Data Practices.** Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
- o. **Trade Secret.** Tennant asserts the information herein labeled as "Trade Secret" to meet the definition of a trade secret under Minn. Stat., § 13.37, subd. 2. Tenant acknowledges that under the Minnesota Data Practices Act, the final determination of whether the asserted information is made by the City. The City agrees to seek justification from Tenant for its assertions prior to any disclosure to a third party.
- p. **Interest by Public Officials.** No elected official, officer, or employee of the City shall during his or her tenure or employment or for one year thereafter, have any interest, direct or indirect

The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Tenant  
**iDEAL Energies Solar Leasing, LLC**

By: \_\_\_\_\_  
Rich Ragatz, its Vice President

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

Customer:  
**City of Newport**

By: \_\_\_\_\_  
Laurie Elliott, its Mayor

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

ATTEST

\_\_\_\_\_  
City Administrator

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

**SCHEDULE A**  
**Power Purchase Payment Schedule**

84.870 kW DC JinkoJKM410M Solar Panels with  
 66.60 kW AC SolarEdge SE66.6k480V(1) Inverter(s)(s), SolarEdge P960 Power Optimizers &  
 Unirac, PanelClaw (or equivalent) Ballasted Racking

**Xcel Photovoltaic Credit Rider Tariff**

iDEAL Energies Solar Leasing, LLC Utility Bill Expense		
Year	(Power Purchase Expense)	
	(\$/year)	(\$/month)
1	\$ 9,068.04	\$ 755.67
2	\$ 9,245.88	\$ 770.49
3	\$ 9,509.28	\$ 792.44
4	\$ 9,698.40	\$ 808.20
5	\$ 9,893.64	\$ 824.47
6	\$ 10,176.12	\$ 848.01
7	\$ 10,383.72	\$ 865.31
8	\$ 10,598.04	\$ 883.17
9	\$ 10,901.40	\$ 908.45
10	\$ 11,129.16	\$ 927.43
11	\$ 11,364.24	\$ 947.02
12	\$ 11,690.28	\$ 974.19
13	\$ 11,940.12	\$ 995.01
14	\$ 12,197.88	\$ 1,016.49
15	\$ 12,548.52	\$ 1,045.71
16	\$ 12,822.60	\$ 1,068.55
17	\$ 13,105.20	\$ 1,092.10
18	\$ 13,482.72	\$ 1,123.56
19	\$ 13,783.08	\$ 1,148.59
20	\$ 14,093.04	\$ 1,174.42
21		\$
22		\$
23		\$
24		\$
25		\$
<b>Total</b>	<b>\$ 227,631.36</b>	