

GRAND HAVEN BOARD OF LIGHT & POWER
COMMUNITY SOLAR LEASE AGREEMENT

Customer Name (“Lessee”): _____

GHBLP Account Number: _____

Electric Service Address (“**Beneficiary Property**”):

Mailing Address: _____

Telephone Number: _____

Email Address: _____

This community solar lease agreement (“**Lease**”) is entered into between the Customer (“**Lessee**”) and the Grand Haven Board of Light & Power, a Michigan municipal corporation (“**GHBLP**”), with offices at 1700 Eaton Drive, Grand Haven, MI 49417.

The parties hereby agree to the following:

1. **Overview.** GHBLP is constructing and operating a community scale solar photovoltaic system in the City of Grand Haven, Michigan (“**Solar Garden**”), and Lessee wishes to lease a portion of the Solar Garden, pursuant to the terms of this Lease.

1.1. Solar Garden Site. The Solar Garden will be located on certain property owned by the City of Grand Haven (“**Solar Garden Site**”) pursuant to an easement entered into between the GHBLP and the City of Grand Haven, as it may be amended from time to time (“**Solar Easement Agreement**”). GHBLP has the authority to construct solar panels and related facilities at the Solar Garden Site,

including a photovoltaic (PV) solar power system and all related equipment, apparatus, accessories, works and appurtenances (collectively referred to as the “**Solar Garden Facility**”).

- 1.2. Energy Generated from Solar Garden Facility. The electrical production from the Solar Garden will be fed into the GHBLP electric grid. GHBLP retains all rights to any and all credits produced from the Solar Garden including but not limited to energy, capacity, transmission, Renewable Energy Credits (“RECs”), etc. GHBLP agrees to provide monthly credits to Lessee on its electric bills at the rates provided under this Lease from energy generated from the Solar Garden Facility. GHBLP is to receive any RECs, defined below, and obtained in relation to the Solar Garden Facility. Lessee has no interest in said RECs or like incentives, credits, or benefits obtained in relation to the Solar Garden Facility, except as provided for herein. All RECs generated from the Solar Garden will be retired annually.
- 1.3. Purpose of this Lease. The purpose of the Solar Garden is to allow residents and businesses in the GHBLP electric service territory (“**GHBLP Service Territory**”) to receive the benefits of locally sited solar panel(s) to support renewable energy. Lessee owns or leases property in the GHBLP Service Territory and wishes to lease a pro-rata share of the Solar Garden to generate electricity equivalent to a portion of electricity consumed at the Beneficiary Property not to exceed Lessee’s average annual consumption measured over the previous 12-month period before the Effective Date. Any financial benefit to the Lessee from the Solar Garden is limited to the Solar Lease Credit which will be applied to the Lessee’s monthly customer bill from the GHBLP. No other financial benefit will be received by the Lessee.
2. **Qualifying Customer**. In order to qualify for the program, a customer must own or lease real property in the GHBLP Service Territory with a GHBLP account in good standing, which property is identified as the Beneficiary Property. Lessee must also wish to subscribe to the Solar Garden to generate electricity equivalent to a portion of electricity consumed at the Beneficiary Property, and must agree to be subject to the terms of this Lease.
3. **Leased Property**. Lessee agrees to lease a portion of the Solar Garden (“**Leased Property**”). Lessee acknowledges and agrees that energy generated, RECs, and any other Attributes or Offsets of the Solar Garden shall belong to GHBLP.

4. **Effective Date.** The Lessee shall be bound by its agreement to these Lease terms when it signs the Lease. GHBLP shall be bound by its terms when the Lessee's payment is received with the Lessee's Lease Application and Lease have been approved by GHBLP. If Lessee's Lease Application and Lease are not approved by GHBLP, the Lease Application and Lease will be considered withdrawn, and Lessee will be entitled to a full refund unless the deadline is extended by GHBLP at its sole discretion.
5. **Term.** The lease term shall begin on the first day of the first month of the billing cycle after the Solar Garden starts delivering energy to GHBLP ("**Commencement Date**"). The lease term shall run for 20 years, subject to the termination provisions of this Lease. The lease term will automatically extend on a year-to-year basis after the initial 20 years unless one of the parties provides written notice of its intent to terminate at least 60 days prior to the termination of the initial term or any extension term. The initial term and any extension terms shall be referred to as the "**Term**" in this Lease.
6. **Payment.** Lessee shall pay a one-time, upfront fee of \$570 for a 20-year-lease for each 300-Watt increment of the Solar Garden ("**Payment**"). Lessee shall submit this payment with the signed Lease Application and Lease to GHBLP.
 - 6.1. Variance in Costs. If the Payment does not cover the full costs of Lessee's proportional share of the Solar Garden, the remaining balance will be applied as a charge on Lessee's GHBLP monthly bill. If the Payment exceeds the total cost of Lessee's proportional share, the excess amount will be applied as credit to Lessee's GHBLP monthly bill.
7. **Solar Lease Credit.** Lessee will receive credit for the energy allocated to Lessee from the Solar Garden on Lessee's GHBLP billing statement determined in accordance with this section.
 - 7.1. Allocation of energy produced. The energy allocated to the Lessee from the Solar Garden shall be determined as a fractional share of the total energy produced by the Solar Garden. The fraction shall consist of a numerator equal to the subscription wattage leased by the Lessee and the denominator shall be the total wattage of all panels in the Solar Garden. This allocation shall be made monthly.
 - 7.2. Value of energy produced. The energy allocated to the Lessee from the Solar Garden shall be credited against the Lessee's bill for the Beneficiary Property by

multiplying the amount of such allocation by \$0.06385/kWh, which is fixed for the Term.

7.3. Application of Solar Agreement Credit. The Solar Lease Credit shall be applied against Lessee's energy consumption at the Beneficiary Property as a separate credit on Lessee's regular monthly bill. Charges for billing items other than energy charges shall be paid by Lessee as billed by GHBLP on a monthly basis and shall not be eligible for offset by Solar Lease Credits.

7.4. Excess Solar Agreement Credits. The Solar Lease Credit shall not exceed the dollar amount for the electric consumption portion of the electric bill. If the Solar Lease Credit does exceed the dollar amount of electric consumption, the Lessee will not be reimbursed for excess or allowed to carry a credit forward to subsequent billing periods. This Solar Lease Credit will be itemized on the Lessee's monthly electric bills in accordance with GHBLP's normal monthly billing for service, so long as the Lessee remains an electric customer of the GHBLP at the Beneficiary Property, or future service addresses in the GHBLP Service Territory.

8. **Renewable Energy Certificates ("RECs").** A REC is generated with each megawatt-hour (MWh) of renewable electricity generated. In the case of this Lease, the RECs generated by the Solar Garden belong to GHBLP, not Lessee, and will be retired annually.
9. **Solar Panel and Solar Facility Maintenance and Repair.** GHBLP shall be responsible for maintaining and repairing all aspects of the Solar Garden Facility. Notwithstanding, "maintaining and repairing" all aspects shall not require the GHBLP to remove any snow or debris from the solar panels.
10. **Lessee Assignment or Transfer of Lease.** Lessee may assign or transfer its rights and duties, under this Lease, only to the extent provided in this Section:
- 10.1. Lessee Assignment of Solar Lease Credit. At any time, Lessee may assign its Lease and rights to receive Solar Lease Credits to a non-profit organization that is an electric service customer in the GHBLP Service Territory and is tax-exempt under 501(c)(3) of the U.S. Internal Revenue Code. Lessee shall notify GHBLP of the assignment in writing, and the assignment is subject to approval by GHBLP. Should the Lease be terminated under this provision, the Lessee is not entitled to any refund of prior payments. Upon termination, all rights of the Lessee to Solar Lease Credits shall be assigned to GHBLP.

10.2. Lessee Change of Service Address. In the event the Lessee changes electric service addresses, the following terms apply:

10.2.1. Moves within GHBLP Service Territory. If the Lessee moves to a new address within the GHBLP Service Territory, this Lease shall be terminated as of the date Lessee no longer owns or controls the Beneficiary Property, unless Lessee requests and GHBLP approves assignment of this Lease to the new electric service address, which would then become the Beneficiary Property. Should the Lease be terminated under this provision, the Lessee is not entitled to any refund of prior payments. Upon termination, all rights of the Lessee to Solar Lease Credits shall be assigned to GHBLP.

10.2.2. Moves outside GHBLP Service Territory. If the Lessee moves outside of the GHBLP Service Territory, this Lease shall be terminated as of the date Lessee no longer owns or controls the Beneficiary Property, unless Lessee requests and GHBLP approves assignment of this Lease and Solar Lease Credits to the new owner or tenant of the Beneficiary Property or unless an assignment is made per section 10.1. Should the Lease be terminated under this provision, the Lessee is not entitled to any refund of prior payments. Upon termination, all rights of the Lessee to Solar Lease Credits shall be assigned to GHBLP.

10.3. Assignment Application under this Section. To request an assignment of some or all of the Lease rights under this Section, Lessee shall submit a written request to GHBLP at least 30 days in advance of the requested transfer date. The written request shall include any relevant information requested by GHBLP. Email customerservice@ghblp.org or call (616) 846-6250 for details of submitting the request. If Lessee ceases to own or control the Beneficiary Property while a decision on the application is pending, Lessee's rights and duties related to this Lease will be temporarily and automatically suspended until GHBLP makes a decision on the application. GHBLP shall approve any application for assignment unless it determines in its sole discretion that doing so would violate or be inconsistent with any applicable law or regulation or any provisions within the Lease. GHBLP shall make a decision within 30 days of receiving an assignment request.

11. Lease Termination/Suspension. The parties will have the right to terminate or suspend this Lease only as provided in this Section.

11.1. Termination upon Default. Without waiving any other rights granted at law or in equity, if either party is in default of an obligation under this Lease for a period of 30 days following receipt of written notice of default from the non-defaulting party, the default shall be considered a “**Material Breach**” under this Lease and the non-defaulting party may terminate this Lease immediately with written notice to the defaulting party.

11.2. Suspension upon Relocation or Maintenance or Repairs. Lessee acknowledges that GHBLP has the right to temporarily suspend electric generation at the Solar Garden Facility at any time if GHBLP determines it is reasonably required for operation of the Solar Garden Facility or for operation of the electric distribution system or by the terms of the GHBLP-City of Grand Haven Easement, including without limitation for the relocation of the Solar Garden Facility for any reason or in order to conduct maintenance and repairs on the Solar Garden Facility.

11.3. Lessee or GHBLP Termination. The Lessee may terminate the Lease as of January 1st of any year provided that the Lessee provides written notice of the termination no later than September 30th of the prior year. In the event the Lessee terminates the Lease under this Section, the Lessee shall not be entitled to a refund of any prior payments. Upon termination, all rights of the Lessee to Solar Lease Credits shall be assigned to GHBLP. GHBLP may terminate this Lease at any time, in its sole discretion, upon written notice thereof to Lessee prior to the Effective Date. Further, this Lease may be terminated by GHBLP immediately, at any time, upon giving written notice to Lessee, if: (a) the Solar Garden Site cannot continue under the terms of the Solar Easement Agreement, for any reason; (b) GHBLP cannot lawfully continue the Solar Garden at the Solar Garden Site, for any reason, including the inability to obtain, or the lapse, cancellation, or termination of, any necessary governmental certificates, permits, variances, leases, or any easements required for the installation and operation of the Solar Garden at the Solar Garden Site; (c) the Solar Garden Facility or Solar Garden Site, in part or in whole, are condemned, damaged, or destroyed to an extent sufficient to render the Solar Garden Site and/or the solar panels unusable.

12. **Insurance**. To the extent available, GHBLP shall maintain during the Term a Commercial General Liability policy insuring against liability for injury or death of a person or persons or damage to property occasioned by or arising out of or in connection with the Solar Garden Facility and the Solar Garden Site.

The GHBLP may in its discretion also maintain during the Term a property insurance policy for the Solar Garden Site and all improvements located upon and personal equipment maintained at the Solar Garden Site for the benefit of the GHBLP.

13. **Tax Credit.** It is the sole responsibility of the Lessee to take any steps necessary to determine Lessee's eligibility and claim for any tax credit to which Lessee may be eligible for costs related to participating in Solar Garden.

14. **No Advice or Warranty by GHBLP Regarding Tax Credits or Other Benefits.** Lessee acknowledges and agrees that GHBLP has not provided Lessee with any advice regarding any tax credit or other benefit of Lessee's subscription to the Solar Garden. Further, Lessee acknowledges and agrees the GHBLP has no responsibility for demonstrating Lessee's eligibility for any tax credit or other benefit of Lessee's subscription of the Solar Garden.

15. **No Profit Expectation and No Security Interest.**

15.1. No Profit Expectation. Lessee acknowledges and agrees that this Lease is not an investment and the Lessee has not been promised or led to expect any profit from the Lease of the Solar Garden. This Lease is not a security agreement and has not been registered as a security with any state or federal governmental authority. Lessee acknowledges and agrees that Lessee's purpose for entering into this Lease is to help advance renewable energy in Michigan and to support and participate in generating renewable energy in the City of Grand Haven.

15.2. No Security Interest. The parties specifically intend that the solar subscriptions are being leased only and do not intend to sell or purchase the solar panel(s) now or later. If there is any claim that the Lease actually is a sale, then Lessee grants GHBLP the complete security interest in the solar panel(s) and Solar Garden Facility.

16. **Reporting and Marketing.** Lessee authorizes GHBLP to use Lessee's name, address, amount of subscription, and solar energy credit information for reporting and marketing purposes, including reporting to governmental authorities and marketing materials promoting the Solar Garden or the parties. Except as required by law and as otherwise provided in this Lease, GHBLP and its project participants will not be deemed to be given Lessee's authority to release or otherwise publish any other information collected from Lessee.

17. **Disclaimer.** GHBLP will construct, own, operate, and maintain Solar Garden Facility. The energy produced from the Solar Garden Facility is placed on the electric grid together with the energy being supplied from all other generation sources. GHBLP makes no representation that energy from the Solar Garden is delivered directly to those participating in the Solar Garden program.
18. **Notices.** Any notice specified in this Lease shall be deemed properly given if delivered in writing personally or by certified mail to the parties at their addresses listed above, or at any other addresses that may be communicated by the parties to each other in writing, including an electronic mail address.
19. **Indemnification.** GHBLP and Lessee each agree to indemnify and hold harmless the other party from and against any and all claims, losses, liabilities, obligations, damages, cost and expenses, including reasonable attorney fees (collectively, the "Losses"), to the extent caused by or arising out of (a) the negligent acts or omissions of the indemnifying party, or (b) a breach of or default by the indemnifying party under this Lease that has not been cured in accordance with the terms hereof. Notwithstanding the foregoing, this indemnification shall not extend to Losses arising from the negligence or misconduct of the indemnified party.
20. **Miscellaneous.** This Lease shall be binding upon and shall inure to the benefit of Lessee and GHBLP and their respective heirs, administrators, successors, and assigns, subject to the provisions on assignment. This Lease constitutes the entire agreement between the parties with respect to this subject matter and may only be amended in a writing signed by GHBLP and the Lessee. If any provisions of this Lease are determined to be illegal or unenforceable, then the remaining provisions shall nevertheless be binding with the same force and effect as if the illegal or unenforceable parts were deleted. The parties agree that this Lease is governed by the laws of Michigan and venue for any dispute arising out of or related to this Lease shall be proper in Ottawa County, Michigan. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

SIGNATURE PAGE FOLLOWS

The parties agree to the foregoing:

LESSEE

Date: _____

Signature: _____

Printed Name: _____

Organization (if applicable): _____

Title (if applicable): _____

Grand Haven Board of Light & Power

Date: _____

Signature: _____

Printed Name: Robert Shelley _____

Title: General Manager _____