# Review Guide for Solar Garden Subscription Agreement

## PART ONE: SUGGESTED PLAN FOR REVIEW AND EXECUTION OF AGREEMENT

1. **PRINT.** When you receive your offer of a Subscription Agreement from MN Community Solar (MNCS), print the entire Agreement including the Exhibits.
2. **VERIFY EXHIBITS**. Be sure you have received the content for each Exhibit – not just a blank placeholder. You should have these Exhibits:

   - ☐ EXHIBIT A. SCHEDULE OF ESTIMATED PRODUCTION AND SUBSCRIBER'S SUBSCRIPTION PAYMENT
   - ☐ EXHIBIT B. XCEL SUBSCRIBER AGENCY AGREEMENT
   - ☐ EXHIBIT C. XCEL AND MNCS' DATA PRIVACY POLICIES
   - ☐ EXHIBIT D. CSG CONTRACT BETWEEN XCEL AND MNCS
   - ☐ EXHIBIT E. SOLAR PANEL MODULE WARRANTY
   - ☐ EXHIBIT F. PROOF OF INSURANCE AND LONG-TERM MAINTENANCE PLAN
   - ☐ EXHIBIT G-1. NOTICE OF CANCELLATION (MNCS COPY)
   - ☐ EXHIBIT G-2. NOTICE OF CANCELLATION (SUBSCRIBER COPY)

3. **USE THE DISCLOSURE CHECKLIST**. Use the two-page Disclosure Checklist to aid in reviewing the Agreement. If you have already thoroughly reviewed an advance, non-executable copy of the Agreement, make sure that the executable Agreement you received from MNCS has the same sections and language.
4. **NOTE YOUR QUESTIONS**. As you read along, note any questions that arise. If any questions remained unresolved for you, you have several options, in no particular order:
   a. Bring your questions to one of our Agreement review meetings.
   b. Email the Solar Team – Paul Densmore or Aleks Kinclara – unitysolargarden@gmail.com.
   c. Seek appropriate professional advice – legal, tax or financial.
   d. Pose your question to MNCS. Their contact information appears at Section 13.a.
5. **USE THE REVIEW CHECKLISTS APPEARING ON THE FOLLOWING PAGES**.
   a. Verify that all blanks are filled in and accurate.
   b. Verify the bill credit, subscription, and escalation rates are correct.
   c. Verify that you satisfy the six eligibility requirements and can make the eighteen covenants.
6. **SIGN AND DATE WHEN YOU ARE READY**. Fully complete your review and get your questions answered satisfactorily. When you are ready, sign the Agreement. You may sign electronically. Your signature date is the Effective Date.
7. **CANCEL WITHIN THREE BUSINESS DAYS**. If you change your mind, you must notify MNCS in writing within three business days after signing. You may use Exhibit G-1 Notice of Cancellation.
8. **AWAIT ACCEPTANCE BY MNCS**. Upon acceptance or your subscription, MNCS will countersign the Agreement and notify you. Alternatively, MNCS will send notice of rejection due to ineligibility.
9. **RETAIN.** Retain complete copies of the executed agreement and exhibits, filed with your most important papers for access through the years.

## PART TWO: CHECKLISTS

**EFFECTIVE DATE AND PARTIES**

- ☐ What is the "Effective Date"? _____ (It should be undated until signed.)
- ☐ Is the Subscriber name shown correctly?

**RECITAL B**

- ☐ Is Subscriber's Premise Number correct?
- ☐ Is Subscriber's Xcel Energy account number correct?
- ☐ Is County location of Subscriber's premises shown correctly?
- ☐ Is Service Address of Subscriber's premises shown correctly?

**RECITAL C**

- ☐ Is Project address in the same or adjacent county as the Subscriber's Service Address?

**RECITAL E**

- ☐ Is Subscriber's average annual energy consumption at the Service Address stated correctly?
- ☐ Is Subscriber's mailing address stated correctly?
- ☐ Is Subscriber's email address stated correctly?
- ☐ Is Subscriber's phone number stated correctly?

**SECTION 2.b ALLOCATION**

- ☐ Is the "Kilowatt Allocation" blank filled in correctly? _____ kW DC.
- ☐ Is the percent of Project Capacity blanks filled in correctly? _____ percent (_____%)

**SECTION 2.c CALCULATION OF CREDITS**

- ☐ What is the Bill Credit effective date? _____ (Expect July 1, 2016.)
- ☐ What is the Bill Credit Rate (enhanced ARR)? $_____ per kWh.

  (Expect 0.12596 Applicable Retail Rate (ARR) + .02 Adder = 0.14596 per kWh)

**SECTION 3.a MONTHLY SUBSCRIPTION PAYMENT**

- ☐ 3.a.i What is the Subscription Rate? $_____ per kWh. (Expect $0.13256 per kWh.)

  The year one Subscription Rate should equal the Bill Credit Rate minus 0.0134.
  Example: (0.14596 Bill Credit - 0.0134 Discount) = 0.13256

  The year one savings rate may be calculated as [(Discount / ARR)*100]
  Example: [(0.0134 / 0.12596) * 100] = 10.6%.

  The year one savings rate may also be calculated as [(Discount / Subscription Rate)*100]
  Example: [(0.0134 / 0.13256) * 100] = 10.1%.

- ☐ 3.a.i What is the compound annual Subscription Escalation Rate? _____% (Expect 2.3%)

*Verify you meet the six eligibility requirements and feel comfortable making the 18 covenants. If a Subscriber is found to be in violation of any of the following eligibility criteria or covenants at any time, the agreement may be terminated with penalty.*

**SECTION 2.f ELIGIBILITY**

- ☐ (i) Subscriber must be an Xcel account holder (with the undersigned being the named or one of the named account holders);
- ☐ (ii) the Service Address must be located within the county or an adjacent county to where the Project is located;
- ☐ (iii) Subscriber's Percentage Allocation may not exceed forty percent (40%) of the Actual Project Capacity;
- ☐ (iv) Subscriber's Kilowatt Allocation, when combined with any on site generation resources serving the Subscriber at the Service Address, cannot exceed one hundred and twenty percent (120%) of Subscriber's average annual energy usage for the prior twenty-four (24) months at the time of the Effective Date of this Agreement;
- ☐ (v) Subscriber's Kilowatt Allocation must be at least two-hundred (200) watts; and
- ☐ (vi) Subscriber must be deemed creditworthy by MNCS, in MNCS' sole and absolute discretion, at the time this Agreement is executed. Subscriber authorizes MNCS, or its designee, to obtain its credit report now and in the future, answer questions others may ask regarding Subscriber's credit and share Subscriber's credit information with MNCS' financing partners. Subscriber hereby certifies that all information Subscriber provided to MNCS in connection with checking Subscriber's credit will be true and understands that this information must be updated upon request if Subscriber's financial condition changes.

**SECTION 6.a MUTUAL REPRESENTATIONS, WARRANTIES AND COVENANTS**

- ☐ (i) The Party, if an entity, is duly organized, validly existing, and in good standing in the jurisdiction of its organization and is duly qualified to do business in the State of Minnesota;
- ☐ (ii) The Parties have full legal capacity to enter into and perform this Agreement;
- ☐ (iii) To the best of each Party's knowledge, there is no litigation, action, arbitration, proceeding, or investigation pending before any court or other governmental authority by, against, affecting, or involving its ability to carry out the transactions contemplated in this Agreement;
- ☐ (iv) The execution and delivery of this Agreement by the Parties and the performance by the Parties of their obligations hereunder do not and will not result in a breach of any of the terms, conditions, or provisions of, or constitute a default under any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement or understanding, or any license, permit, franchise or certificate, to which the Parties are a party or by which they are bound or to which their properties are subject;
- ☐ (v) This Agreement constitutes a legally valid and binding obligation enforceable against MNCS and Subscriber in accordance with its terms; and
- ☐ (vi) Each Party is in good financial condition, there are no bankruptcy proceedings against it, no filings against it for involuntary bankruptcy, and it has no knowledge of any material legal and/or financial claims, issues, or proceedings against it that would have any adverse material effect on its financial condition.

**SECTION 6.c SUBSCRIBER REPRESENTATIONS, WARRANTIES AND COVENANTS**

- ☐ (i) Subscriber is able to pay the Monthly Subscription Payment;

- ☐ (ii) Subscriber's Premise Number, Subscriber's Account Number, Subscriber's Service Address, and Subscriber's contact information contained in the Recitals of this Agreement are true, accurate, and complete;
- ☐ (iii) Subscriber agrees not to install or procure any other on site generation resource(s) during the Term of this Agreement that would cause Subscriber to no longer meet the Subscriber Eligibility Criteria, without first paying the appropriate transfer or termination fee to MNCS set forth in Sections 7 and 8 of this Agreement;
- ☐ (iv) Subscriber will sign and deliver to MNCS the Xcel Solar*Rewards Community Subscriber Agency Agreement and Consent Form (a copy of which is attached hereto as Exhibit B) upon signing this Agreement or at any time requested by MNCS. Upon execution, all of the information and statements of Subscriber provided therein will be true, accurate, and complete;
- ☐ (v) Subscriber acknowledges and agrees it will have no interest in or entitlement to benefits or derivatives of RECs, unsubscribed energy production, tax credits, or any other credit or cash flow associated with the Project aside from the Subscriber's Kilowatt Allocation and Bill Credits. Subscriber acknowledges and agrees that this Agreement is not a contract to sell or lease the Project;
- ☐ (vi) Subscriber understands and agrees it is acquiring the Kilowatt Allocation and Bill Credits for its own account and it will not assign, convey, transfer, resell, or otherwise distribute the Kilowatt Allocation and Bill Credits to another person or entity, except as provided in Section 8. Subscriber acknowledges and agrees it will not assign, convey, transfer, resell or otherwise dispose of the Kilowatt Allocation and Bill Credits in any manner that will violate any securities laws or regulations. Subscriber is aware and understands that neither this Agreement nor any energy produced or Kilowatt Allocation purchased thereunder has been registered under any securities laws or regulations;
- ☐ (vii) Subscriber acknowledges and agrees that MNCS does not guarantee production, and subscriber has no defenses, set-offs, basis for withholding payments, counterclaims, or failure of performance claims against MNCS. However, MNCS will not invoice the Subscriber, and the Subscriber will not be obligated to pay during production outages lasting longer than (20) consecutive days;
- ☐ (viii) Subscriber acknowledges and agrees that it has a valid real property interest in the Premises and the Service Address;

  *[Note: Subscriber's name must be on lease or property title – being a 'roommate' is not enough.]*
- ☐ (ix) Subscriber acknowledges and agrees Subscriber has been given the opportunity to ask questions and receive answers from MNCS concerning the terms of this Agreement and any other information necessary for Subscriber to evaluate the merits and risks of entering into this Agreement, including Subscriber's Kilowatt Allocation and/or Subscriber's Monthly Subscription Payment;
- ☐ (x) Subscriber acknowledges and agrees it is not relying on statements made by MNCS or any statements made by MNCS employees or agents with respect to any tax or other financial implications that may arise as a result of entering into or the implementation of this Agreement. Subscriber acknowledges and agrees that nothing in this Agreement or any other information provided by or on behalf of MNCS in connection with this Agreement constitutes legal, tax, or financial advice;
- ☐ (xi) Subscriber acknowledges and agrees it will promptly notify MNCS of any changes in Subscriber's Data; and
- ☐ (xii) Subscriber's "automatic transfer of funds information" provided to MNCS is true, accurate, and complete to enable Subscriber to automatically pay the Monthly Subscription Payment.

***We hope this Guide, the Disclosure Checklist and our other communications have helped you become familiar with the Agreement. If you are ready subscribe, please do so. Thank you for your interest in clean energy... Unity's Community Solar Team***