

Attachment A:

Proposed Terms for Financing and Investment in Solar Energy Projects with Region Five Development Commission September 29, 2016

Solar Schools Facilities Assumptions:

- 1,492 kilowatts of DC-rated solar installation using solar equipment from tenKsolar, Inc.
- Roof-mounted systems and ground-mounted systems as will be determined.
- Eight locations in the Little Falls, Pequot Lakes, Pine River-Backus school districts and at Leech Lake Tribal College.
- Year 1 production of 1,700,000 kWh with an annual degradation factor of 0.40 percent.
- Interconnection with the host facility and as approved with the local utility.
- Under the RDF grant, the owner shall have no rights to any environmental attributes or Renewable Energy Certificates associated with the solar facilities.

Financial Structure & System Operation Terms:

1. What entity or entities will own the solar facilities, project assets and contracts? In the case of multiple entity ownership, please specify the percentages of ownership.
2. What is the proposed ownership structure (including percentages if multiple owners)?
3. What does the structure propose in regards to ownership after full utilization of the tax benefits?
4. How does the proposal characterize the RDF grant as a source of funds for the project and the tax consequences of that characterization?
5. What is the proposed role for R5DC in the development and operation of the Project as it relates to the host school sites, RDF grant requirements, and any other obligations?
6. Region Five's RDF grant application contains an intention to execute an Engineering-Procurement-Construction (EPC) Agreement and a "full wrap" Operations and Maintenance (O & M) Agreement with local firms. What level of control or involvement will the investor have over these agreements under the proposed financial structure?

7. Project host school sites will agree to purchase 100 percent of all energy generated for the term of a Power Purchase Agreement. R5DC may support a structure where it holds a master PPA with the system owner, and enters into individual PPA agreements with the host schools. Is this model work with your proposed structure or will the structure require schools to individually enter into a PPA with the owner?

8. Project host school sites will agree to enter into lease agreements with a nominal rent of \$1 annually for placement of the solar equipment. Does the structure anticipate these lease agreements being negotiated and held by the owner, R5DC or another entity?

9. Region Five and schools will be funding their own respective legal costs. How are the legal and any other facilitation or brokerage costs in the proposal being funded?