

**LICENSE AGREEMENT**  
**Leasing panels in the BMU Solar Farm Phase III & IV**

This License Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Berea Municipal Utilities, a department of the City of Berea, Kentucky, with its principal place of business at 200 Harrison Road, Berea, KY and its mailing address P.O. Box 926, Berea, KY 40403 (“BMU”), and the following identified person or organization (“Customer”):

Customer/Leasee: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

**1. License.**

1.1. Subject to the terms and conditions set forth in this Agreement, BMU hereby grants to Customer a license (each, a “License”) to receive the Panel Production Credits (as defined below) for the following number of solar panels: \_\_\_\_\_(\_\_\_\_\_)

1.2. Each Solar Panel will be placed in service at the BMU Solar Farm Phase III & IV expansion located at 200 Harrison Road, Berea, KY. Customer acknowledges and agrees that BMU will retain sole ownership, possession and control of each Solar Panel, and will have the exclusive right to maintain and operate such Solar Panel. Customer also acknowledges that BMU may replace a Solar Panel with any make, model, brand or type of solar panel as BMU may elect, in its sole discretion, on notice to Customer of such change. In the event of a change, BMU will provide Customer with updated information the solar panel specifications.

1.3 During the Term (as defined below), Customer will receive the Panel Production Credit for each Solar Panel as a credit on bills for electricity provided by BMU at the following address (the “Billed Address”) which address must be located within BMU’s electric service territory.

Name (as appears on current billing): \_\_\_\_\_

Service/Street Address: \_\_\_\_\_

Account /Lot for this electric service location (supplied by BMU): \_\_\_\_\_

BMU identifier for electric service location: \_\_\_\_\_ (to be supplied by BMU)

Only electric metered residential (class 1 and 9) and commercial accounts (class 2 and 3) will be permitted to receive the Panel Production Credit. A License Agreement with a Customer will be required for each specific location.

The License granted to the Customer hereunder is limited to the receipt of the Panel Production Credits referred to above, and includes no other rights except as specified herein.

**2. Consideration.** As consideration for each License granted to Customer pursuant to this Agreement, the Customer agrees to, and does contemporaneously herewith:

2.1. Pay to BMU the sum of \$750 per Solar Panel, due upon execution of this Agreement (the “License Fee”), as a one-time license fee; and

2.2. Assigns, transfers, conveys, and surrenders to BMU, for BMU’s sole use, all Solar Renewable Energy Credits (SRECs) associated with each Solar Panel licensed pursuant to this Agreement. (Note that SRECs are not the same as the billing credit for the electricity generated by the leased solar panels each billing period. The latter - billing credit for electricity generated - will be credited to the account of each leasing customer as indicated below in Section 5.)

**3. Term.** Each License shall be effective beginning on the later of two dates: the date of this Agreement or the in-service date for such Solar Panel. Each license will continue for a period of 25 years or, if earlier, until the death of the Customer (the “Term”), subject to early termination as provided below in this Agreement.

**4. BMU Obligations.** BMU agrees to:

4.1. Provide Customer with updates in the event of a change pursuant to Section 1.2.

4.2. Provide maintenance for each Solar Panel and the Solar Farm. BMU shall be responsible for ensuring that the Solar Farm and each of its components complies with all applicable codes, standards, and regulatory requirements at the time of installation and throughout the Term of this Agreement. In the event of equipment failure, BMU will bring the equipment back to working order as quickly as possible. In the event damaged equipment is disconnected from the grid or is otherwise not generating electric energy, the Customer will continue to receive the Panel Production Credit for such Solar Panel, unless and until BMU elects to repurchase the applicable License pursuant to the terms of Section 6.

4.3. Acquire and maintain, at its sole cost, insurance for the Solar Farm and each Solar Panel. BMU will be listed as the sole loss payee for such insurance. In the event a Solar Panel is damaged beyond repair, BMU may elect, in its sole discretion, to (a) replace such Solar Panel with a solar panel with a similar Rated Power Output, or (b) repurchase such Solar Panel pursuant to Section 6.

**5. Panel Production Credits.** The Panel Production Credit for each Solar Panel will be calculated as follows:

5.1. Unless the purchaser of the License Agreement agrees to transfer the Panel Production Credits to another approved address, this “Panel Production” will remain associated with the specific location as identified in Section 1.3 regardless of occupancy or ownership changes at that location. Separate forms (as made available by BMU) must be completed to transfer location or ownership of these Panel Credits by the Customer to this Agreement.

5.2 The actual electric production for the entire Solar Farm, the “Farm Power Production,” will be measured in kilowatt hours on a billing-period basis. This Farm Power Production will then be allocated to each Solar Panel by dividing the Farm Power Production by the total number of solar panels in the

Berea Solar Farm to get the “Final Panel Production.” This Final Panel Production is the basis for the credit applied to the Customer’s bill in the next billing period after that production.

5.3 BMU will credit the account at the Billed Address for the applicable billing period in an amount equal to the Final Panel Production for each Solar Panel licensed by the Customer pursuant to this Agreement multiplied by the rate per kilowatt hour as identified in BMU’s electric rates for Customer’s particular Billing or Rate Class, as same may be revised from time to time.

5.4 In the event the applicable service location associated with this Agreement is removed and/or not in service, BMU will make every attempt to contact the Customer to this Agreement to determine where these Panel Production Credits can be transferred. During this time, the Final Panel Production for these panels will be allocated to the utility grid system and utilized by all BMU customers. The credits associated with this production will be applied at the sole and unfettered discretion of BMU.

**6. Solar Panel Buyout.** Customer agrees that, at any time and at BMU’s sole discretion, BMU may elect to repurchase the License for one or more of the Solar Panels, and Customer will sell such License to BMU pursuant to the terms of this Section 6. Such repurchase will occur as follows:

6.1. BMU will notify Customer of BMU’s election to exercise its repurchase right. (the “Repurchase Notice”).

6.2. The purchase price for each License will be calculated as follows: The original purchase price will be decreased at a level of 4% for every year the panel has been in service. At the end of the 25 year term this repurchase price will be \$0. In the event this license is transferred to another customer, that subsequent customer will be eligible for repurchase.

6.3. BMU will repurchase the License for the applicable Solar Panels within 30 days after sending such Repurchase Notice by sending payment to Customer in the amount of (a) the Purchase Price for each License as calculated above, and (b) any earned Panel Production Credits not yet credited to a bill for the Billed Address. On receipt by Customer of the payments provided in this Section 6.3, (i) such License will terminate, and (ii) BMU will have no further obligations to Customer with regard to such License.

6.4. At such time as every License for a Solar Panel has terminated, and BMU has made all payments to Customer required by this Section 6, if applicable, this Agreement will terminate and BMU will have no further obligations to Customer.

**7. Additional Acknowledgements.** The parties further acknowledge and agree that:

7.1. Customer will not have access to the Berea Solar Farm or any Solar Panel, for any purpose, unless otherwise agreed to in advance by BMU at its sole discretion. BMU will have sole ownership, possession and control of each Solar Panel, and will have the exclusive right to maintain and operate such Solar Panel.

7.2. Customer may license multiple Solar Panels, provided, however, that the Billed Address cannot receive more than: (a) if a residential address, 10 kilowatts of Final Power Production, or (b) if a commercial address, 60 kilowatts of Final Power Production.

7.3. Customer may not require BMU to repurchase the License for any Solar Panel. In the event Customer desires to assign the License for one or more Solar Panels, BMU may provide Customer with reasonable assistance in finding an assignee for such License, but BMU is under no obligation to provide such assistance, to find an assignee, or to permit Customer to assign a License other than in compliance with this Agreement.

7.4. Except as expressly provided in this Agreement, Customer may not assign, give, bequeath or otherwise transfer any License for a Solar Panel to any other individual or entity.

**8. Transfer/Assignment.** Subject to the provisions of this Section 8, and with advance notice to BMU, Customer may elect to: (a) change the Billed Address for which the Panel Production Credit for one or more Solar Panels will apply, provided such Billed Address is within BMU's electric service territory, or (b) assign this Agreement or the License for a particular Solar Panel to another individual or entity provided such assignee's Billed Address is located within BMU's electric service territory. Customer will notify BMU of such change or assignment in writing at least 30 days prior to the effective date of such change, which notice will include:

1. Customer's name and mailing address;
2. A copy of the original Lease Agreement;
3. The current Billed Address;
4. The new Billed Address (if applicable);
5. The name of the individual or entity to whom Customer is assigning this Agreement (if applicable);
6. The effective date of such change or assignment.

Upon assignment of any License for a Solar Panel, the Customer will surrender all right, title and interest in and to such License. Customer further acknowledges and agrees that such assignment does not extend the Term of the License.

**9. Equipment Detail.** Customer acknowledges receipt of the information about each Solar Panel as included in this Agreement under Section 1.1.

**10. Notice.** All notices, requests, consents, and other communications under the Agreement will be in writing to the mailing address for each party stated above and will be deemed delivered upon the earlier of (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested, (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid, or (c) the following business day after being delivered to a reputable overnight courier service.

**11. Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

**12. Governing Law/Jurisdiction/Venue.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof. The parties acknowledge and agree that a court of competent jurisdiction located in Madison County, Kentucky shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement.

IN WITNESS WHEREOF, the parties have executed this License Agreement as of the date first written above.

\_\_\_\_\_  
Customer name (please print)

\_\_\_\_\_  
Customer signature

\_\_\_\_\_  
BMU representative's name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

BMU may be publishing the names of solar panel leasers on the bereautilities.com website or in other publications seeking to promote the Berea Solar Farm. To give permission for the Customer name (as it appears on page 1 of this contract) to appear on such promotions, please initial here: \_\_\_\_\_