

Updated 1/9/2024

**CITY OF AMES ELECTRIC SERVICES SUNSMART
POWER PACK PURCHASE AGREEMENT TERMS AND CONDITIONS**

1. Eligibility for and Rights Associated with Power Pack Ownership.

1.1. Subject to the terms and conditions set forth in this Agreement, CITY OF AMES ELECTRIC SERVICES hereby grants to the CUSTOMER the right to receive credits on their retail electric account. The credit amount is based on the actual net electrical output of the CITY OF AMES ELECTRIC SERVICES SunSmart Solar Farm (hereafter "Farm") in proportion to the amount of nameplate capacity in the Farm associated with the Power Packs held by the CUSTOMER. The CUSTOMER's right is limited to the receipt of credits on their retail electric account in the amounts determined by the method set forth in Section 4.

1.2. The Farm will be constructed at 623 Airport Road in Ames. The CUSTOMER acknowledges and agrees that the CUSTOMER has no ownership or possession of any solar panels or any other physical elements that are part of the Farm or the capacity thereof, nor ownership interests in the entity that owns the Farm, and the CUSTOMER will not be receiving nor is entitled to physically receive, any of the actual electricity produced by the Farm. The CUSTOMER is also not acquiring any right to any renewable energy credits, emission reduction credits, nor other environmental attributes associated with or arising from the Farm, nor the electricity produced by the Farm, title to which shall remain with CITY OF AMES ELECTRIC SERVICES. CITY OF AMES ELECTRIC SERVICES may publicize CUSTOMER's participation in the Farm.

1.3 During the Term (as defined below), CUSTOMER will receive the Solar Production Credit ("SPC," defined in Section 4 of this document) on the CUSTOMER's electric account for each Power Pack purchased by or on behalf of the CUSTOMER. Ownership and control of Power Pack(s) is inseparable from the right to receive Solar Production Credits. A CUSTOMER who owns Power Pack(s) will receive the Solar Production Credits associated with the Power Pack(s) via the utility account in that CUSTOMER's name. CUSTOMER may NOT maintain ownership nor control of Power Pack(s) if he or she transfers said Power Pack(s) and the Solar Production Credits associated with them to another entity. Ownership and control of a single Power Pack is indivisible (i.e. each Power Pack may have only one owner).

Term. The CUSTOMER's account credits shall begin on the later of: 1) the first full billing period after the completion of one calendar month of service of the Farm; or 2) the first full billing period after the CUSTOMER's Power Pack purchase. Monthly account credits will end 20 years and 2 months after the in-service date of the Farm (the "Term") unless terminated or transferred as provided for in sections 5 and 6 of this Agreement.

1.4 The Power Pack purchase and any Power Pack transfers from an Owner or Location to a new Owner or Location are subject to the following limitations:

- a. The number of Power Packs a customer may hold is limited to no more than

the number of Power Packs representing the equivalent of 100% of the CUSTOMER's (or SITE HOST's) projected annual net energy usage. CITY OF AMES ELECTRIC SERVICES reserves the right to limit the number of Power Packs purchased by an individual CUSTOMER, or repurchase Power Packs according to section 6.1(c) of this document to meet this requirement if the customer's expected annual net energy usage changes, at CITY OF AMES ELECTRIC SERVICES's sole discretion.

b. Upon the expiration or termination of this Agreement for reasons other than nonpayment or other breach by CUSTOMER, if CUSTOMER's retail electric account shows a positive balance as a result of Solar Production Credits, CITY OF AMES ELECTRIC SERVICES will apply that credit to future utility charges. If the CUSTOMER's utility account becomes inactive while a credit due to Solar Production Credits still exists, CITY OF AMES ELECTRIC SERVICES will pay CUSTOMER the positive balance.

2. Purchase of Power Packs.

As consideration for the Power Packs, the CUSTOMER agrees to one of the following options:

2.1. Single Payment Purchase Before In-Service Date of the Farm. Pay to CITY OF AMES ELECTRIC SERVICES a one-time sum of \$300 per Power Pack at least 2 months before the in-service date of the Farm.

2.2. 12-Month Payment Plan Purchase Before In-Service Date of the Farm. OR, if CUSTOMER has maintained an active service account with AMES for at least twelve (12) consecutive months with no more than one delinquent notice, CUSTOMER may elect to pay the total purchase amount in twelve equal installments. Payments must begin no later than the in-service date of the Farm, and all payments must be received no later than 12 months from the in-service date. If CUSTOMER elects to purchase power packs in twelve (12) equal installments:

- a. CUSTOMER will be charged a one-time \$6 administrative fee per Power Pack.
- b. CITY OF AMES ELECTRIC SERVICES will add the monthly Power Pack Purchase Fee charge to the CUSTOMER's electric account for the twelve (12) billing cycles following the purchase date.
- c. Payment to CITY OF AMES ELECTRIC SERVICES will be applied to Power Pack purchases before being applied to other utility services. Late or returned payments are subject to penalties.

2.3 Purchase after the In-Service Date of the Farm. Power Packs may be purchased after the in-service date of the Farm at a reduced price. The reduced price will be calculated and released each year on the anniversary of the in-service date of the Farm.

3. CITY OF AMES ELECTRIC SERVICES

Obligations.

CITY OF AMES ELECTRIC SERVICES agrees to:

- 3.1. Contract for the design and construction of the Farm.
- 3.2. For the Term, contract for or provide operation and maintenance of the Farm using industry accepted methods and commercially reasonable efforts to maximize the electrical output of the Farm.

4. Solar Production Credits (SPC).

The owner of a Power Pack has sole rights to receive Solar Production Credits on his or her utility account, which must be in the name of the Power Pack owner. If a Power Pack owner wishes to concede Solar Production Credits to another qualified customer, he or she must transfer ownership and control of the Power Pack(s) to that customer and concede all rights to the Power Pack(s). The right to receive Solar Production Credits is inseparable from ownership of the Power Pack(s). The Solar Production Credit for each Power Pack purchased will be calculated as follows:

- 4.1. The Farm's nameplate capacity is expected to be approximately 2,000 kilowatts AC. Each Power Pack is based on 175 watts of such capacity.
- 4.2. The actual electric output generated by the Farm will be metered in kilowatt hours (kWh) at the point the electricity enters the CITY OF AMES ELECTRIC SERVICES distribution system. The net electrical output will then be allocated equally to each Power Pack. This value is the Energy Per Unit (EPU) and will be calculated by CITY OF AMES ELECTRIC SERVICES for each month.
- 4.3. The Solar Production Credit for each billing period is calculated as follows:

$$\text{SPC (in dollars)} = \text{number of CUSTOMER's Power Packs} \times \text{EPU (kWh)} \times \text{Energy Value (in \$/kWh)}$$

The Energy Value will be determined by CITY OF AMES ELECTRIC SERVICES, and will be equal to the sum of the Energy Unit Rate and the Energy Rate Adjustment, as defined in the Ames Municipal Code Chapter 28 Section 28.102. The Energy Rate Adjustment is calculated monthly by CITY OF AMES ELECTRIC SERVICES.

5. Transfer within AMES Service Territory.

- 5.1. Should a CUSTOMER move to another location receiving electric service from CITY OF AMES ELECTRIC SERVICES, or otherwise have a change in CITY OF AMES ELECTRIC SERVICES retail account number, the CUSTOMER's Power Packs will transfer to the CUSTOMER's new location or account. It is the CUSTOMER's responsibility to contact CITY OF AMES ELECTRIC SERVICES to request the transfer of the Power Packs, which CITY OF AMES ELECTRIC SERVICES will implement as soon as practicable. If the transfer occurs prior to full payment by the CUSTOMER for the Power Packs, the transfer will be conditioned upon the CUSTOMER being current in their payments for the Power Packs.

6. Termination, Assignment or Buy-back.

- 6.1. The CUSTOMER may assign Power Packs to one or more eligible CITY OF AMES ELECTRIC SERVICES electric customers in accordance with the requirements of this Section, or CITY OF AMES ELECTRIC SERVICES will repurchase the Power

Packs as follows:

a. Power Pack assignment – The CUSTOMER may request that CITY OF AMES ELECTRIC SERVICES assign Power Packs to another individual or entity provided such assignee is an CITY OF AMES ELECTRIC SERVICES electric customer eligible to use the Power Packs. The CUSTOMER will notify CITY OF AMES ELECTRIC SERVICES of such proposed change or assignment in writing at least 30 days prior to the effective date of such change, which notice will include:

1. The CUSTOMER's name and mailing address;
2. The current service address and account number;
3. The name of the individual or entity to whom the CUSTOMER is assigning this Agreement;
4. The service address and account number of the proposed assignee;
5. The number of Power Packs to be transferred and;
6. The proposed effective date of such change or assignment.

CITY OF AMES ELECTRIC SERVICES will determine if the proposed assignee is eligible to receive the Power Packs and if so will implement the change within thirty (30) days of the CUSTOMER's notice. If the proposed assignee is not eligible, in whole or in part, to receive the Power Packs, CITY OF AMES ELECTRIC SERVICES will notify the CUSTOMER, and if an eligible assignee is not identified by the CUSTOMER, CITY OF AMES ELECTRIC SERVICES may repurchase the applicable Power Packs, according to the restrictions and process set forth in Section 6.1(c).

b. If the CUSTOMER dies, or their property, including their rights under this Agreement, is transferred to another person or entity by operation of law, CITY OF AMES ELECTRIC SERVICES shall only be obligated to continue providing the Solar Production Credit to the transferee if the transferee is an eligible CITY OF AMES ELECTRIC SERVICES customer as set forth in Section 6.1(a). Otherwise, CITY OF AMES ELECTRIC SERVICES's sole obligation shall be to repurchase the Power Packs in accordance with Section 6.1(c).

c. If the CUSTOMER relocates outside of the CITY OF AMES ELECTRIC SERVICES service territory, or for another reason no longer has an electric account with CITY OF AMES ELECTRIC SERVICES and is unable to assign some or all of the Power Packs to another eligible AMES CUSTOMER, the CUSTOMER may request that the CITY OF AMES ELECTRIC SERVICES buys back their Power Packs. The buy-back price will be calculated and released each year on the anniversary of the in-service date of the Farm. It is the CUSTOMER's responsibility to contact CITY OF AMES ELECTRIC SERVICES to request the buyback of the Power Packs which CITY OF AMES ELECTRIC SERVICES will implement as soon as practicable.

6.2. Except as expressly provided in this Agreement, the CUSTOMER may not assign, give, bequeath or otherwise transfer any rights under this Agreement, including any Power Packs, to any other individual or entity.

6.3. Power Packs associated with accounts that have been inactive for 6 months are deemed "unclaimed." Unclaimed power packs will be donated to a local nonprofit chosen by CITY OF AMES ELECTRIC SERVICES

7. No Representations by AMES.

CITY OF AMES ELECTRIC SERVICES makes no representation or warranty to the CUSTOMER with respect to the following:

7.1. CITY OF AMES ELECTRIC SERVICES is not making any representation about the taxable consequences, if any, of Solar Production Credits received by the CUSTOMER or payment of the Power Pack Purchase Fee, or whether the CUSTOMER will incur tax liabilities associated with the CUSTOMER's of Solar Production Credits or other payments from CITY OF AMES ELECTRIC SERVICES or any assignee.

Available Federal and State of Iowa investment or production tax credits will be applied for, and if approved, taken by the developer under contract to AMES.

7.2. CITY OF AMES ELECTRIC SERVICES is not making any representation concerning the applicability of federal or state securities laws to the Power Packs, the sale and purchase of Power Packs or the Solar Production Credits a CUSTOMER receives. Neither this Agreement nor the Power Packs or Farm have been registered as a security under any securities laws.

7.3. CITY OF AMES ELECTRIC SERVICES makes no representation or warranty as to the likelihood that the Farm will generate any specific or minimum amount of electricity or that the Farm will produce sufficient electricity so as to create any specific or minimum amount of Solar Production Credits for the CUSTOMER or SITE HOST during any period of time or over the Term. Actual production will be affected by equipment performance, actual solar insolation experienced, other weather events, Acts of God, performance by third parties and other events and circumstances beyond CITY OF AMES ELECTRIC SERVICES's control. Any estimate of expected electricity production from the Farm made by CITY OF AMES ELECTRIC SERVICES or others is purely an estimate based on available information and is not a guarantee that any particular amount of electricity will be produced. Any estimate of expected account credits, or the amount of time it will take for a CUSTOMER to recover the cost of Power Packs, made by CITY OF AMES ELECTRIC SERVICES or others is purely an estimate based on available information and is not a guarantee that account credits will be any particular amount or that a CUSTOMER will recover the cost of Power Packs over any particular period of time or ever.

7.4. CITY OF AMES ELECTRIC SERVICES makes no representation or warranty as to the amount of time the Farm and individual components of equipment may be non-operational due to malfunction, damage or destruction, or the ability to repair or replace the Farm and equipment or restore operation thereof. CITY OF AMES ELECTRIC SERVICES makes no representation or warranty as to the performance of third parties under any applicable agreements or warranties, if any, regarding the operation, maintenance, repair and replacement of the Farm and equipment.

7.5. CITY OF AMES ELECTRIC SERVICES makes no representation or warranty as to future Energy Values or that the CUSTOMER's Credits will provide any specific or minimum amount of economic benefit to the CUSTOMER over any period of time or the Term as a whole. Energy Value at any future time is subject to the cost of electricity from other energy sources, energy markets and other circumstances beyond the control or reasonable foresight of CITY OF AMES ELECTRIC SERVICES, and CITY OF AMES

ELECTRIC SERVICES is making no guarantee that the CUSTOMER will recover the cost of Power Packs purchased by the CUSTOMER.

8. Customer Representations.

THE CUSTOMER ACKNOWLEDGES, UNDERSTANDS AND AGREES TO SECTIONS 7.1 THROUGH 7.5 ABOVE. THE CUSTOMER UNDERSTANDS THAT THERE IS NO ASSURANCE THE CUSTOMER'S ACCOUNTS WILL BE CREDITED BY ANY CERTAIN AMOUNT OR THAT THE FARM WILL PRODUCE ANY CERTAIN AMOUNT OF ENERGY OR BE OPERATIONAL AT ANY GIVEN TIME.

9. 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 (collectively, "Materials and Communications") between the parties, including all Materials and Communications distributed by CITY OF AMES ELECTRIC SERVICES whether specifically to the CUSTOMER or generally to CITY OF AMES ELECTRIC SERVICES 's customers and constituents.

10. Contingent on Construction of SunSmart Farm.

Notwithstanding anything herein to the contrary, CITY OF AMES ELECTRIC SERVICES may determine not to proceed with the SunSmart Farm project in its sole discretion. If CITY OF AMES ELECTRIC SERVICES determines not to proceed with the SunSmart Farm project, this Agreement shall automatically terminate and CITY OF AMES ELECTRIC SERVICES shall return all Power Pack Purchase payments paid by the CUSTOMER.

11. Municipal Electric Utility.

All rights and obligations of CITY OF AMES ELECTRIC SERVICES herein shall belong and apply exclusively to the Municipal Electric Utility of the City of Ames, Iowa.