



Solar Array Purchase, LNTP, Facility Lease & Power Purchase Agreements

Solar for Schools Grant

Customer & Site Information

Effective Date: May 15, 2026
Customer: **Independent School District No. 698 - Floodwood School District**
Customer Corporate Form: Minnesota Public School
Customer Mailing Address: 115 4th Ave W , Floodwood, MN
Customer Signer Name: Susan Hoeft
Customer Signer Title: Superintendent
Customer Authorized Representative: Susan Hoeft
Customer Authorized Representative Tel: 218-476-2285

Site Address: **115 W 4th Ave, Floodwood, MN 55736**
Account / Meter Number: **Meter # 575694**
Site Owner: Independent School District No. 698
Site Owner Mailing Address: 115 4th Ave W , Floodwood, MN
Utility: Minnesota Power

Project Information

Energy System Nameplate Capacity: **347.55 kW DC**
Total Inverter Capacity: **260 kW AC**
Installation Cost: \$747,276.00
Target Substantial Completion Date: October 31, 2027
Incentive Program: DOC - SFS
Projected Tax Credit Percent: 40%
Solar Panel Description: 173 Silfab SIL-580XM+ - DCB (Dom Con)
419 Phono PS590M8GFH-24/TNH
Inverter Description: 1 SolarEdge SE100k 480V3Ph Inverter (Dom Con)
2 SolarEdge SE80k 480V3Ph Inverter (Dom Con)
592 SolarEdge C651U Power Optimizer (Dom Con)
Solar Racking Description: 246.7605 kWDC of Panel Claw (CFR+) (Dom Con)
100.7895 kWDC of Aerocompact S Base

Facility Lease & Power Purchase Agreement Information

Site Name / Use: Floodwood Elementary / Elementary School
Tenant: Ideal Energies Solar Leasing, LLC
Tenant Signer Name: Richard Ragatz
Tenant Signer Title: Vice President
Leased Space Rent Payment: \$225.00 per year
Leased Energy System Rent Payment: \$10.00 per year
Term: 5 years

Purchase Agreement

347.55 kW DC Solar Array DOC - SFS

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|------------------------------|--|
| Customer | Independent School District No. 698 - Floodwood School District |
| Utility | Minnesota Power |
| Site | 115 W 4th Ave, Floodwood, MN 55736 |
| Account / Meter # | Meter # 575694 |

This **PURCHASE AGREEMENT** (“**Agreement**”), dated **May 15, 2026** (“**Effective Date**”) is between **IDEAL ENERGIES, LLC**, a Minnesota limited liability company, whose principal place of business is located at **8318 Pillsbury Ave. So. Bloomington, MN 55420** (“**Seller**”), and **Independent School District No. 698 - Floodwood School District**, a Minnesota Public School, whose principal place of business is located at **115 4th Ave W , Floodwood, MN** (“**Customer**”). Seller and Customer are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

Capacity of **347.55 kW DC**, and perform Energy System commissioning. The “**Project**” will consist of the Energy System components identified on **Schedule A** (“**System Components**”) and the Project’s design documents (“**Design Documents**”).

RECITALS

- A. Seller sells and installs grid-tied photovoltaic solar electric systems (“**Energy System**”) and Customer desires to purchase and install an Energy System on the Site location described above (“**Site**”) in accordance with the terms and conditions set forth in this Agreement.
- B. Customer will, with the reasonable assistance of Seller, apply to the Utility for approval to interconnect its Energy System to the Utility’s grid and execute Utility Agreements (as defined below) with the Utility required to interconnect the Energy System.
- C. Customer will, in connection with this Agreement, enter into a Limited Notice to Proceed Agreement (“**LNTP**”) with Seller for the purpose of supporting the Project’s intended beginning-of-construction position under the Five Percent Safe Harbor for low-output solar facilities in IRS Notice 2025-42, Section 6, and the related beginning-of-construction principles in IRS Notices 2013-29, 2018-59, and 2022-61, as applicable.
- D. Customer will, in connection with this Agreement, enter into a Facility Lease Agreement with **Ideal Energies Solar Leasing, LLC** (“**Tenant**”) pursuant to which Tenant will lease, operate and maintain the Energy System (“**Facility Lease Agreement**”).
- E. Customer will, in connection with this Agreement, enter into a Power Purchase Agreement (“**Power Purchase Agreement**”) pursuant to which Tenant will operate the Energy System and provide Customer the benefit of the energy produced from the Energy System.
- F. This Agreement, the LNTP, Facility Lease Agreement, Power Purchase Agreement and Provider Report are referred to collectively as the “**Transaction Documents**”.

2. **Title and Risk of Loss.** Title and Risk of Loss. Title and risk of loss for System Components purchased under the LNTP will pass to Customer as provided in the LNTP. Title and risk of loss for the balance of the Energy System and Design Documents will pass to Customer upon Substantial Completion (as defined below). Notwithstanding the foregoing, as of the Effective Date, and as further set forth in this Agreement, Customer agrees to maintain insurance in its own name and will fully insure the Site and Energy System during the term of this Agreement.
3. **Purchase and Sale; Installation Cost; Payment Terms.** Seller agrees to sell and Customer agrees to purchase the Project and the services provided for hereunder for the total Installation Cost (“**Installation Cost**”) set forth on the Payment Schedule (“**Payment Schedule**”) provided in **Schedule E**. Customer agrees to pay the Installation Cost in the amounts, and on the dates, set forth in columns D and I, respectively, of Schedule E (each payment a “**Milestone Payment**”). Milestone Payments are due net fifteen (15) days from the date of Seller’s invoice. Collectively, all Milestone Payments, whether full or partial, are referred to herein as the Payment Schedule and will be made in cash or other immediately available funds. The Parties acknowledge that Customer will temporarily carry certain Project payments before Solar for Schools reimbursement and federal elective-payment receipt, as described in the Solar Energy Efficiency Project Report / Qualified Provider Report (the “**Provider Report**”) incorporated by reference into this Agreement.
4. **Customer’s Representations and Responsibilities.**
 - a. Customer represents that the Site is owned by the Customer (or an affiliated entity that has common ownership with Customer), as described in **Schedule B**.
 - b. Customer represents that it is not a party to any litigation that would materially or adversely affect its ability to enter into or perform under the Transaction Documents.
 - c. The Authorized Signer listed in Schedule B (“**Authorized Signer**”) is legally authorized to act on behalf of Customer and, subject to required school board approvals, has the authority to approve or execute Amendments (as defined below), and otherwise modify this Agreement. The Customer’s Representative listed in Schedule B (“**Customer’s Representative**”) will serve as the Seller’s Site contact, and the 24-hour contact for communicating with the Utility for any planned or emergency issues related to the Energy System.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Project.** Seller will perform electrical engineering on the Energy System, perform structural engineering on the Site to verify it is adequate to support the Energy System, apply to the Utility for Energy System interconnection approval, provide and install an Energy System with a Nameplate

- d. Where any of the Customer's utility meters are located indoors, and the Utility permits them to remain indoors, Customer will provide Utility with 24-hour unescorted keyless access to all the utility meters.
- e. Customer will, at least three weeks before the Substantial Completion Date, provide and maintain either a live wireless internet connection or a live RJ45 Internet outlet near the electrical room or other agreed upon location for connecting the Energy System's web-based monitoring equipment (a.k.a. Data Biscuit). If Customer does not provide the foregoing, Seller will provide and install a cellular device for exclusive use by the Energy System, as set forth on Schedule A. Customer will be responsible for any cellular service provider data charges.

5. **Seller's Representations and Responsibilities.**

- a. As a part of the Project, Seller will provide all System Components, Design Documents, labor, equipment, supplies and services necessary to install the Energy System at the Site in accordance with the "Scope of Work" described in **Schedule C ("Work")**.
- b. Seller shall comply with all applicable laws, rules, regulations, governmental approvals and permits, including all applicable agreements with, and tariffs of, the Utility (collectively, "**Applicable Requirements**").

6. **Project Schedule; Substantial Completion; Final Completion.**

- a. Customer and Seller will work together to develop a proposed work plan and schedule for the Project ("**Project Schedule**") to be substantially complete by **October 31, 2027 ("Target Substantial Completion Date")**. If events arise which make achievement of Substantial Completion by the Target Substantial Completion Date impracticable, such as force majeure (as described in Section 19.g. below), availability of System Components or equipment, and other reasonable delays, Seller will promptly notify Customer of the same, and the Parties will adjust the Project Schedule accordingly. No penalties are due for changes or delays in execution of the Project Schedule.
- b. The Project will be substantially complete when the Utility performs a witness test, and the Energy System is turned on and is capable and authorized under Applicable Requirements to generate and deliver electric energy to Customer and the Utility's electrical grid at the interconnection point ("**Substantial Completion**"). The date on which Substantial Completion is achieved is the "**Substantial Completion Date**."
- c. Upon Seller's completion of unfinished work remaining at the time of Substantial Completion ("**Punchlist Work**") the Project will be fully complete ("**Final Completion**").

7. **Changes.**

- a. It is the desire of the Parties to keep changes to the terms of this Agreement to a minimum, including changes to the Project Schedule. Either Party may request a change by advising the other Party in writing of the proposed change. If (a) Customer elects to purchase any additional services from Seller, as further described on Schedule A ("**Optional Services**"), or (b) any change in the Project or the Work, is required to

address unforeseen Site conditions, the circumstances of Section 7.b, or other events or circumstances, the Parties will execute a written Amendment to document the change ("**Amendment**").

- b. Seller may substitute System Components in accordance with the requirements of this Section, as required to accommodate structural limitations of the Site, the availability of System Components (including changes in panel wattage available from manufacturers), Utility's requirements, or other reasons consistent with the intended purpose of this Agreement. Without requiring an Amendment, Seller may, at its sole discretion, substitute the following System Components:

- i. For solar panels listed on Schedule A, Seller may substitute a solar panel with any standard or bi-facial polycrystalline, monocrystalline 72 cell high efficiency solar panel that (i) is Tier 1 rated, CEC listed, or a DNV-GL "Top Performer" (ii) has at least a 10-year manufacturer's workmanship warranty and a 25-year production warranty achieving at least 80% of its rated capacity ("**Substitute Panels**"), and (iii) is +/- 20 Watts DC and that results in a total variance in the Nameplate Capacity of +/- 0.50 kW DC.
- ii. For Inverters listed on Schedule A, Seller may substitute an inverter(s) with any standard alternative inverter that is (i) of substantially equal electrical rating and (ii) has a warranty of equal or greater term as the inverter(s) listed on Schedule A.
- iii. For Power Optimizers listed on Schedule A, if any, Seller may substitute any Power Optimizer with a model that is appropriately rated for the solar panels and inverters installed at the Site.
- iv. For Racking listed on Schedule A, Seller may substitute Racking with any standard alternative Racking that is (i) substantially equal, and (ii) has a warranty of equal or greater term as the Racking listed on Schedule A.
- v. Notwithstanding the substitution rights above, Seller may substitute System Components only if the substituted equipment preserves the Project's intended domestic content, FEOC, safe harbor, utility interconnection, Solar for Schools, and federal elective payment compliance positions.

8. **Grant, Utility Bill Credits, Net Metering & Tax Credits.**

The Parties anticipate the Project will be eligible for the following:

- a. The Project has been awarded or is expected to receive a Solar for Schools incentive anticipated at **\$448,365.30**, based on the District's ANTC/APU value (the "**Incentive**"), payable to Customer from the State of Minnesota as grantee under Minn. Stat. § 216C.375. The Incentive is subject to the final award amount approved by the Minnesota Department of Commerce, applicable Solar for Schools Program limits, and the final grant contract. Customer shall retain all rights and obligations as grantee under the Solar for Schools Program and any grant contract. Customer will use Incentive proceeds to pay eligible Project costs in accordance with the Payment Schedule.

- b. Customer (or its tenant) may be eligible to participate in the Utility's Net Metering Program, under which excess kWh generated by the Energy System is credited against Customer's utility charges during the applicable monthly billing period, or under an annual true-up if allowed by the Utility Agreements and applicable law, with any remaining excess generation carried forward or settled in accordance with the Utility Agreements and applicable law ("**Net Metering Credit**").
- c. The Project may be eligible to receive a federal investment tax credit and elective payment from the U.S. Department of the Treasury pursuant to Internal Revenue Code Section 48E, as applicable (the "**Tax Credit**"). The Parties intend that Customer shall be treated as the tax owner of the Energy System and the applicable entity entitled to claim the elective payment. Nothing in the Transaction Documents is intended to transfer tax ownership of the Energy System, the Tax Credit, or the federal elective payment claim to Tenant or Seller. Customer shall retain the right and responsibility to complete pre-filing registration through Energy Credits Online, obtain the applicable registration number, and file the federal tax forms required to claim the elective payment, including Form 990-T, Form 3468, Form 3800, and any successor or supplemental forms required by the Internal Revenue Service. The eligible cost basis for the Tax Credit may differ from the Installation Cost.

9. **Domestic Content Compliance (IRA Requirements)**

- a. Seller shall structure and document the Project to support Customer's intended eligibility for the 10% Domestic Content Bonus Credit under the Inflation Reduction Act, including applicable steel, iron, manufactured product, and component requirements defined by the U.S. Department of the Treasury and the Internal Revenue Service.
- b. The Seller shall ensure that the Project satisfies the Domestic Content Requirements set forth under Section 48E and related provisions of the Internal Revenue Code, as amended by the IRA and OBBBA, including applicable regulations and guidance issued by the U.S. Department of the Treasury and Internal Revenue Service, such as IRS Notices 2023-38, 2024-41, 2024-84, 2025-08, and any subsequent guidance (the "**Guidance**").
- c. For roof-mounted Projects, Seller shall evaluate domestic-content compliance for steel, iron, manufactured products, and components under the applicable guidance. Seller shall not substitute equipment or materials in a manner that would materially impair the Project's intended domestic content, FEOC, safe harbor, utility interconnection, or Solar for Schools compliance without prior written notice to Customer and documentation supporting continued compliance.
- d. For any ground-mounted portion of the Project, Seller shall evaluate whether steel and iron components that are structural in function and permanently incorporated into the project site, such as racking systems, support posts, foundation piles, and other structural mounting hardware, comply with the domestic content requirements in accordance with applicable IRS guidance, including IRS Notice 2025-08 or subsequent updates. Seller shall procure and install U.S.-produced steel, iron, and manufactured products for the Project

that meet or exceed the minimum required domestic content percentage to support Customer's intended IRA domestic content bonus credit position, as specified in the Guidance. To satisfy this requirement, Seller may use the applicable steel or iron safe harbor threshold established for ground-mounted photovoltaic systems, if applicable, whereby qualifying U.S.-sourced structural steel is deemed sufficient to meet the domestic content standard when used in accordance with the cost percentage test specified in IRS guidance.

- e. The Seller may rely in good faith on documentation and certifications provided by manufacturers, fabricators, or suppliers ("Vendors") that: (1) Identify the origin (by country) of each relevant component or material, (2) provide sufficient cost detail to determine compliance with domestic content thresholds, and/or (3) meet any format or content requirements in the applicable Guidance.
- f. Seller shall provide Customer with documentation reasonably sufficient to support the Project's intended Domestic Content Bonus and FEOC compliance position, including equipment lists, manufacturer/vendor certifications or attestations where available, country-of-origin information, domestic content point calculations, FEOC screening documentation, material-assistance calculations if applicable, and records supporting Customer's federal tax filing position.
- g. Notwithstanding anything to the contrary in this Agreement, if the Seller procures and installs equipment and materials in good faith reliance on then-current guidance, safe harbor rules, or interpretive documents issued by the U.S. Department of the Treasury, the Internal Revenue Service, or other relevant government agencies regarding Domestic Content requirements, then the Seller shall not be liable for any loss of tax credits, penalties, or damages incurred by the Customer resulting from subsequent changes, clarifications, or reinterpretations of such guidance. This limitation shall apply only where the Seller has (a) acted in good faith and in accordance with the safe harbor provisions applicable at the time of procurement or construction, and (b) maintained documentation evidencing compliance with such safe harbor or guidance.
- h. Customer shall pay Seller the safe harbor payment provided in the Payment Schedule in the amount of \$44,836.56 on or before June 15, 2026 ("**Safe Harbor Payment**"). Seller shall use the Safe Harbor Payment to purchase specifically identified energy property for the Project before July 4, 2026, in support of the Project's intended beginning-of-construction position under the Five Percent Safe Harbor for low-output solar facilities in IRS Notice 2025-42, Section 6. Seller shall provide Customer with a safe harbor documentation package that includes purchase orders, invoices, proof of payment, equipment descriptions, project allocation records, delivery documentation, bill of sale or equivalent title documentation, and confirmation that the equipment was delivered to Customer or otherwise made available to Customer under an agreed storage arrangement within 105 days after Customer's payment date.

10. **Insurance**

- a. Seller will, at its own cost and expense, maintain in full force, insurance types and limits that are reasonable and customary for the services and Project being performed by Seller under this Agreement, including those types set forth on Schedule C. Upon request, Seller shall provide Customer with certificate(s) evidencing such insurance naming Customer as an additional insured prior to commencement of any work at the Site. A sample Certificate of Insurance for Seller is provided in **Schedule F**. Seller shall also provide Builder's Risk insurance for the Project.
- b. Customer will at all times, at its own cost and expense, maintain in full force and effect, insurance reasonable and customary for the Site and, after Substantial Completion has occurred, for the Energy System and the System Components.
- c. Customer will provide the Seller and the Utility with a Certificate of Insurance that conforms with the Utility requirements specified in Schedule F.
11. **Seller's Waiver and Indemnity Regarding Liens.** To the fullest extent permitted under the Applicable Requirements, and to the extent Customer has made payments owed under this Agreement, Seller waives any right to file or impose any mechanic's, materialman's, or other liens with respect to the Site or the Energy System. Seller shall promptly pay all undisputed amounts owed for services, materials, equipment, and labor furnished by any person to Seller with respect to the Project. Seller shall, at Seller's sole cost and expense, discharge and cause to be released, whether by payment or posting of an appropriate surety bond in accordance with the Applicable Requirements, within thirty (30) days of Seller's notice of its filing, any mechanic's, materialmen's, or other lien in respect of the Energy System or the Site created by, through or under, or as a result of any act or omission (or alleged act or omission) of, Seller or any subcontractor or other person providing services, materials, equipment or labor with respect to the Project. If Seller defaults in its obligation to discharge, satisfy or settle such liens, Customer may discharge, satisfy or settle such liens and Seller shall, within thirty (30) days of a written request by Customer, reimburse Customer for all costs and expenses incurred by Customer to discharge, satisfy or settle such liens.
12. **Warranties.**
- a. Seller will provide the warranties set forth on **Schedule D**. Except as otherwise set forth in Schedule D, the System Components furnished and installed by Seller but not manufactured by Seller (including without limitation the solar panels, inverters, power optimizers, racking, and monitoring equipment and their performance/energy output), will carry only the warranty of their manufacturer. More detailed information about warranties on the System Components are set forth on the applicable manufacturer's specification sheets and Operations Manual(s) provided to Customer, or available on the manufacturer's websites. Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer at its own expense, and may look only to such manufacturer, and not to Seller, for any warranty with respect thereto.
- b. **EXCEPT AS EXPRESSLY PROVIDED IN SCHEDULE D, SELLER MAKES NO AND EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTY AS TO THE INSTALLATION, DESIGN, DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS, USEFUL LIFE, ENERGY PRODUCTION, PROJECTED ECONOMIC VIABILITY, FINANCIAL DATA AND PROJECTIONS, CURRENT OR FUTURE UTILITY RATES, UTILITY FEES, INTERCONNECTION FEES, TARIFF PROGRAMS, INCENTIVES, NET METERING, THE AMOUNT OF OR CUSTOMER'S RECEIPT OF UTILITY BILL CREDITS OR NET METERING CREDITS OR SALE OF EXCESS ENERGY, ROOF PERFORMANCE, FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER MATTER OF THE ENERGY SYSTEM, THE SYSTEM COMPONENTS, THE PROJECT, OR ANY SERVICES PROVIDED UNDER THIS AGREEMENT.**
13. **Ownership of Project Documents and Design.** All Design Documents for the Energy System shall be the sole and exclusive property of Customer. Customer grants Seller an irrevocable perpetual, transferable, royalty free license to use the Design Documents for its own private use.
14. **Indemnification; Limitation of Damages.**
- a. Subject to the limitations set forth below, Seller hereby indemnifies and holds harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates (each a "**Customer Indemnified Party**") against any third-party damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "**Damages**") incurred or suffered by any Customer Indemnified Party caused by (i) any material breach of this Agreement by Seller, or (ii) negligent or wrongful acts of Seller, its employees, or subcontractors in connection with the Project.
- b. To the extent permitted by law, Customer hereby indemnifies and holds harmless Seller and its officers, directors, members, consultants, representatives, agents, employees and affiliates (each a "**Seller Indemnified Party**") against any Damages incurred or suffered by any Seller Indemnified Party in any way arising out of, relating to, or in connection with (i) any material breach of this Agreement by Customer, or (ii) the negligent or wrongful acts of Customer or its employees in connection with the Project.
- c. Any Customer Indemnified Party or Seller Indemnified Party claiming indemnification hereunder must give each Party prompt notice of the relevant claim and each Party agrees to cooperate with each other Party, at its own expense, in the defense of such claim. Notwithstanding the foregoing, any Party from whom indemnification is sought shall control the defense and settlement of such claim; provided however that such Party shall not agree to any settlement that materially adversely affects the other Party without the prior written consent of such Party, which approval shall not be unreasonably withheld. Without limiting or diminishing the foregoing, any Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.
15. **Roof Warranty.** Before installing the Energy System, Seller will take measures required to provide documentation to the Customer to keep the Site's existing or new roofing manufacturer warranty intact.

16. **Termination.** This Agreement may be terminated as follows:

- a. Except where Seller includes the items below in the Installation Cost, Seller may terminate this Agreement in its sole discretion by providing Customer written notice in the event (i) the structural analysis indicates the Site is not in its then-current condition capable of supporting the Energy System unless accommodated by alternate equipment, structural retrofits or other requirements as specified in the structural engineering report that render the Site suitable for installing the Energy System, or (ii) the Utility requires engineering studies, interconnection expenses or site improvements as a condition to Seller installing the Project, or (iii) before construction begins, in the event Seller's performance under the terms of this Agreement would cause Seller significant detriment for reasons including but not limited to significant increases in equipment costs resulting from import tariffs or market variations, the unavailability of licensed labor, changes in law or other similar events impairing the installation of the Energy System in accordance with the Project Schedule, or for the Installation Cost.
- b. Seller may terminate this Agreement by giving written notice to Customer at any time prior to completion of the Project in the event Customer has breached any representation, warranty or covenant contained in this Agreement in any material respect, Seller has notified Customer of the breach, and the breach has continued without cure by Customer or written waiver by Seller for a period of thirty (30) days after the notice of breach.
- c. Customer may terminate this Agreement by giving written notice to Seller at any time prior to completion of the Project in the event that (i) Seller has breached any representation, warranty or covenant contained in this Agreement in any material respect, and Customer has notified Seller of the breach, and the breach has continued without cure by Seller or written waiver by Customer for a period of thirty (30) days after the notice of the breach; or (ii) upon sixty (60) days' notice to Seller if Seller has not achieved Substantial Completion within one hundred eighty (180) days of the Substantial Completion Date plus any additional time required due to Forced Majeure events described in Section 19.g.
- d. Upon termination of this Agreement pursuant to this Section 16, all rights and obligations of the Parties under this Agreement will terminate without any liability of any Party to any other Party, except (i) with respect to Section 14, Section 17, and as otherwise provided in this Section 16, and (ii) for any liability of any Party then in breach.
- e. Except as otherwise provided in this Section 16, the termination rights under this Section 16 are cumulative with and in addition to any other rights or remedies to which the Parties may be entitled at law or under this Agreement.

17. **Guaranteed Energy Savings Contract.** The Parties intend that this Agreement, together with the Transaction Documents and Provider Report, constitute a guaranteed energy-savings contract for energy conservation measures under Minn. Stat. § 471.345, subd. 13. Seller represents that it is the qualified provider responsible for the design, engineering, procurement, implementation, and installation of the Energy System and that Seller has provided the

Customer the Provider Report summarizing the estimated costs of the Project, including design, engineering, installation, maintenance, repairs, financing or payment obligations, and the estimated energy and operating-cost savings expected to result from the Energy System. Subject to the assumptions, exclusions, measurement methodology, utility-rate assumptions, incentive assumptions, and remedies stated in the Provider Report and the Transaction Documents, Seller guarantees that the energy and operating-cost savings, after accounting for Power Payments and other Customer payment obligations under the Transaction Documents, over twenty (20) years from final installation will meet or exceed the amount Customer is expected to spend on the Energy System, net of Solar for Schools Grant proceeds and federal elective-payment proceeds actually received by Customer and applied to Project costs. Such savings are guaranteed to the extent necessary to make payments for the Energy Systems.

18. **Optional Seller Financing for Federal Elective Payment.**

At the Customer's election, at Substantial Completion, the Seller will provide Customer with a single, non-revolving advance in the amount of \$298,910.00 ("**Principal**") for the purpose of financing the receipt of the federal elective payment. The Principal amount shall accrue interest at the fixed annual rate of 6%, calculated from the date of disbursement and continuing until paid in full. The full amount of Principal, together with all accrued and unpaid interest, shall be due and payable the earlier of within 10 days after the Customer's receipt of the federal elective payment or twenty-four (24) months following Substantial Completion Date. If the Customer elects to use Seller Financing, the Parties will enter into a separate Financing Agreement.

19. **Miscellaneous.**

a. **Relationship of the Parties.** The Parties for all purposes shall not be considered or construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.

b. **Entire Agreement / Recitals Integral.** This Agreement and all schedules, exhibits and attachments hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter. The Recitals set forth above in this Agreement are and for all purposes shall be interpreted as being an integral part of this agreement and are incorporated by reference.

c. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.

d. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to

this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.

- e. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- f. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- g. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- h. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principles. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in St Louis County, Minnesota.
- i. **Severability.** The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.
- j. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, nor any portion thereof, without the prior written consent of the other Party. Any other attempted assignment or transfer without prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (i) reasonable prior notice of any such assignment shall be given to the other Party; and (ii) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.
- k. **UCC Terms.** All terms in this Agreement that are not otherwise defined herein and are defined in the Minnesota Uniform Commercial Code, as amended from time to time ("**UCC**") shall have the meanings set forth in the UCC and such meanings will automatically change at the time that any amendment to the UCC, which changes such meanings, becomes effective.
- l. **Marketing and Promotion.** Seller shall not use Customer's name, image or likeness in connection with advertising and promoting the Project or the Energy System without Customer's approval, which shall not be unreasonably withheld.
- m. **Utility Exclusivity / Subordination to Utility Agreements.** All electric power generated from the Energy System will be used on-Site by the Customer

or exported to the Utility and will not be sold to any third party. The Parties agree the Utility retains exclusive control of all power otherwise provided to the Customer. Seller makes no claims to Renewable Energy Certificates. No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Customer or Tenant are a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements shall control. Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.

- n. **Bonds.** Where the Installation Cost exceeds \$175,000, Seller shall post-performance and payment bonds in the amount of the Installation Cost.
- o. **Additional Information Required by the Solar for Schools Grant Program.** Fair Market Value, recycling-cost information, and the 25-year cash-flow analysis, including the 20-year guaranteed energy-savings analysis, are provided in **Schedule H** and the Provider Report. All electronic equipment, including but not limited to solar panels, inverters, optimizers, and electronic components that are disposed of by Seller in conjunction with this Agreement, will be managed by Seller in accordance with then-applicable recycling regulations. Customer will perform end-of-life Energy System removal and disposal at its expense.

The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Seller:
IDEAL ENERGIES, LLC

By: _____
Chris Psihos, its President

Dated: _____

Customer:
Independent School District No. 698 - Floodwood School District

By: _____
Name: Susan Hoeft, its Superintendent

Dated: _____

SCHEDULE A

System Components

Included with Energy System: The Energy System's Installation Cost Includes the following System Components and Services ("Deliverables").

1. UL Listed and approved Solar Panels: 173 Silfab SIL-580XM+ - DCB (Dom Con)
419 Phono PS590M8GFH-24/TNH
2. UL listed and approved DC/AC inverters: 1 SolarEdge SE100k 480V3Ph Inverter (Dom Con)
2 SolarEdge SE80k 480V3Ph Inverter (Dom Con)
3. SolarEdge Power Optimizers: 592 SolarEdge C651U Power Optimizer (Dom Con)
4. Solar Panel Racking / mounting (kWDC): 246.7605 Panel Claw (CFR+) (Dom Con)
100.7895 Aerocompact S Base
5. Electrical components including but not limited to, conductive wiring, ground circuitry, conduit, junction boxes, disconnects, switches, over-current protection, and any associated hardware necessary to complete the installation of the solar panels and interconnect with the Site's existing electric service at the inverter's voltage. Electrical components, including but not limited to, the switchgear, disconnects, breakers, relays, transformers and production meter will be located on the ground or building near the existing electrical service as may be required to comply with electrical code. Inverters will be located at ground level near the electrical components, and the electrical conduit will be run on the exterior of the building. If the main service Utility meter is located indoors, if required by the Utility, a keypad or lockbox will be provided for allowing the Utility 24-hour access to the meter. If not provided by the Utility a revenue grade meter for measuring and monitoring electrical production from the Energy System. If required by structural engineering, mechanical roof attachments installed by a qualified roofer where required by the Engineering to keep the Energy System immobile using a qualified roofer selected and provided by Seller.
6. Monitoring equipment and web-based remote system monitoring system. Customer is responsible for bringing, providing and paying for ethernet cable (typically the electrical room) or cellular-based internet service at the Site.
7. For ground mounted systems includes grass seeding at the Seller's discretion. The Customer is responsible for maintaining the grounds after the Final Completion Date.
8. **"Site Specific Work Inclusions"** described as follows: The Contractor shall furnish all labor, supervision, equipment, tools, and related resources necessary to complete the solar project in accordance with the approved project design and applicable contract documents. The Contractor's scope of work shall include all required trenching, excavation, associated concrete work, and removal of brush as necessary to facilitate completion of the electrical installation. The Contractor shall restore affected landscaping, surfaces, and work areas disturbed by the Contractor's activities to their original condition, as reasonably necessary, and shall provide and install OSHA-compliant safety systems where required for the performance of the work. All work included in this scope is based on performance during standard working hours and is reflected accordingly in this estimate. This proposal includes Electrical Professional Engineer (PE) re-certification of any customer-owned equipment that is modified in the field, if such re-certification is required. (1) After-hours shutdown including after-hours labor, and related coordination requirements are included in this scope.

The Parties agree that the Energy System does not include the Optional Services described below unless they are already included above in the Site-Specific Work Inclusions. If Optional Services are required, iDEAL will update the District, and the Parties will amend this Agreement to add the Optional Services pursuant to Section 7 of this Agreement. iDEAL will work with the Minnesota Department of Commerce to adjust the system's design, size, or grant amount to account for any difference, if allowed by the Solar for Schools Program. Following such application, if there is any shortfall from the Grant or federal elective-payment proceeds, Customer will pay any difference with Customer funds, or Tenant will provide such funds and recover the same only through an amendment to the Power Payments in Schedule A of the Power Purchase Agreement approved by Customer as required for Tenant to recover any increase in the Installation Cost plus the time value of money.

1. Project Specific Exclusions described as follows: This scope assumes no special roof access requirements are necessary. Additional slip sheets and customer-requested rooftop conduit bridges are also excluded unless specifically included elsewhere in this proposal.
2. Incremental Cost for additional System Components and Deliverables not described above that are required due to final engineering requirements, or Customer Energy System installation location preference.
3. Relocation of existing electric circuits, or any upgrades to Customer's electrical service to bring it up to code or other Site-specific Utility requirements including any relocation of existing Utility meters to an exterior location to bring a Site up to code.
4. Any structural improvements to the building required to support the Energy System and the System Components.
5. Batteries or emergency back-up power capability.
6. Third-party fees for web-based monitoring of the Energy System.

7. After-hours labor and after-hours equipment rental (i.e., outside the weekday hours of 6 AM to 6 PM local prevailing time), weekend labor, Davis-Bacon Act requirements, or other prevailing-wage requirements, unless expressly included by Amendment.
8. Tree removal, gas line relocation, fencing or guardrails around the roof perimeter.
9. Seller-provided cellular device for web-based System monitoring required if Customer does not provide internet service: \$1200
10. Non-customary design requests, conduit run through building interior, powder coated or other special materials to match building, roofing (roof spudding, upgrades or re-certifications), landscaping or screening around the solar array exterior.

SCHEDULE B

Contact Information for Parties

| | |
|--|---|
| Customer: | Independent School District No. 698 - Floodwood School District 115 4th Ave W , Floodwood, MN |
| Site Owner: | Independent School District No. 698 115 4th Ave W , Floodwood, MN |
| Customer's Authorized Signer: | Susan Hoeft Superintendent |
| Customer's Authorized Representative: | Susan Hoeft 218-476-2285 |
| Seller/Installer: | Ideal Energies, LLC Chris Psihos t. (612)928-5008 chris.psihos@idealenergies.com 8318 Pillsbury Ave. So. Bloomington, MN 55420 |
| Project Electrician(s): | Green² Electric, LLC License EA791017 Robert Buskirk & Russell Goetze Master Electricians t. (612)928-5008 f: (612)928-5009 8318 Pillsbury Ave. So. Bloomington, MN 55420 |

SCHEDULE C

Seller's Scope of Work

A. Design Scope

1. Seller will prepare structural and electrical Design Documents describing the Project.
2. Seller will comply with all building codes and, as necessary, obtain any code variances.
3. Seller will ensure that the Energy System installation meets then current National Electrical Code requirements.
4. Seller will apply for all permits, and complete inspections to close such permits after Substantial Completion.
5. Seller will prepare all documentation required by Utility for Customer to interconnect the Energy System with Utility's electrical grid at the interconnection point.
6. Seller will prepare all documentation required by Utility for Customer to apply for interconnection.

B. Installation

1. Seller will furnish and install all required material or equipment for a complete installation.
2. Seller will connect the Energy System to Customer's electric panel.
3. Seller will commission and test the Energy System after installation.
4. Licensed electricians will perform electrical interconnections.
5. Except as provided in the Purchase Agreement, the Parties agree that Seller will not be liable for any indirect or consequential losses incurred by Customer as a result of the Energy System installation. Such losses may result from disruption of operations, interruption of electrical service, suspension of mechanical services and other interruptions reasonably related to standard Energy System installation of the size and type contemplated by the Project.

C. Safety

1. Seller will adhere to all current safety laws including without limitation federal, state and local safety regulations.
2. Seller's workers will conform to standard OSHA safety practices and procedures during installation.

D. General

1. Seller will provide all required design, engineering, construction, administration and management services necessary to complete the Project.
2. Seller will provide to Customer copies of all operating and maintenance manuals and third-party warranties.

SCHEDULE D

Seller's Warranties

Engineering and Design Services Warranty Seller warrants that it will perform the engineering and design services in a professional and workmanlike manner using the degree of care, skill, prudence, judgment and diligence that a reasonable, qualified and competent provider of similar services would exercise. Except as otherwise provided herein, for a period beginning on the Substantial Completion Date and ending five years later (the "**Warranty Period**"), if it is shown that there was an error in such engineering and design services as a result of Seller's failure to meet those standards, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, re-perform such services to remedy such error within a reasonable timeframe.

Installation Services Warranty Seller warrants that it will perform the installation services in a professional and workmanlike manner using the degree of care, skill, prudence, judgment and diligence that a reasonable, qualified and competent provider of similar services would exercise. Except as otherwise provided herein, during the Warranty Period it is shown that there was an error in such installation services as a result of Seller's failure to meet those standards, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, re-perform such services to remedy such error within a reasonable timeframe.

Limited System Components Warranty Seller warrants that the System Components will be new and not physically damaged by Seller at the time of Substantial Completion. If Customer notifies Seller within the Warranty Period that any System Components were not new or were, at that time, physically damaged by Seller at the time of Substantial Completion, Seller will replace such System Components within a reasonable timeframe with System Components that are new and undamaged.

Roof Warranty Except as otherwise provided herein, if during the Warranty Period it is shown that the roof leaks solely as a result of Seller's installation of the Energy System, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, promptly repair the roof so that it does not leak; provided that such leaking is not due to normal wear and tear.

Limitation on Warranties The above warranties do NOT cover damage, malfunctions or services failures to the extent caused by:

1. Failure to follow any applicable operations or maintenance manual or any other maintenance instructions provided by Seller or the manufacturer of the System Components, or failure to properly maintain or operate the Energy System;
2. Repair, modification, maintenance, movement or relocation of the Energy System or the System Components by someone other than a service technician approved by Seller or the manufacturer of the System Components;
3. Attachment or connection to the Energy System of any equipment not supplied by Seller, or the use of the Energy System for a purpose for which the Project was not intended;
4. Abuse, misuse or acts of Customer or any third person (other than Seller or its employees or agents), including intentional damage, theft or vandalism; or
5. Damage or deteriorated performance of the Energy System or Site caused by electrical surges, building settling, building component failure, work done on the building or adjacent structures, use of machinery or vehicle in the area, winds in excess of the system design rating, lightning, fire, flood, extreme weather conditions, pests, tornadoes, hurricanes, hail, storms, explosions, earthquakes, ground subsidence, falling debris, force majeure (as described in Section 19.g. of the Purchase Agreement) accidental breakages (not caused by Seller or its employees or agents), normal wear and tear, and other events or accidents outside the reasonable control of Seller.

Customer's Right to Remedy In the event that Seller fails to timely remedy any breach of warranty under this **Schedule D** or such breach threatens imminent harm to Customer or its property, Customer shall have the right to employ any reasonable means necessary to remedy such breach, and Seller shall reimburse Customer for all reasonable and necessary expenses incurred by Customer in carrying out such remedy.

SCHEDULE E Payment Schedule

| Schedule of Values / Installation Cost & Payment Schedule | | | | | | | | | |
|---|--|--|------------------|--------------------------|-------------|---|----------------|---|--|
| Customer Name: | | Independent School District No. 698 - Floodwood School District | | Site: | | 115 W 4th Ave, Floodwood, MN 55736 | | | |
| Project Description: | | 2025 Minnesota Power FP - 347.55 kWDC 260 kWAC Ballasted @ 10°tilt & 180°az - Silfab SIL-580XM+ - DCB (Dom Con) & SolarEdge [ISD 698 Floodwood SFS Round 9 Grant App Final Size with Meter Move] v.5.15.2026 | | | | | | | |
| Contractor: | | Ideal Energies, LLC | | | | | | | |
| Installation Cost: | | \$747,276.00 | | Purchase Agreement Date: | | May 15, 2026 | | Substantial Completion Date: October 31, 2027 | |
| A | B | C | D | E | F | G | H | I | |
| Item No. | Description of Work Completed | Payment Schedule | Payment Schedule | Amount Billed | Amount Paid | Amount Due | Estimated Days | Projected Item Completion Date | |
| 1 | Safeharbor Payment | 6.00% | \$44,837 | | | | | June 15, 2026 | |
| 2 | Equipment Procurement | 44.00% | \$328,801 | | | | 108 | October 1, 2026 | |
| 3 | Construction Begins | 20.00% | \$149,455 | | | | 243 | June 1, 2027 | |
| 4 | Electrical Inspection | 20.00% | \$149,455 | | | | 152 | October 31, 2027 | |
| 5 | Substantial Completion | 10.00% | \$74,728 | | | | 28 | November 28, 2027 | |
| 6 | | | \$ 0 | | | | | | |
| 7 | | | \$ 0 | | | | | | |
| 8 | | | \$ 0 | | | | | | |
| 9 | | | \$ 0 | | | | | | |
| Total Project Cost | | 100% | \$747,276 | \$0 | \$0 | \$0 | 531 | | |
| CO # | Change Orders (if applicable) | If Applicable | | | | | | Change Order Date | |
| | <i>(Additional Utility Engineering Studies)</i> | | \$0 | \$0 | \$0 | \$0 | 0 | | |
| | <i>(Specialized Equipment required by Site)</i> | | \$0 | \$0 | \$0 | \$0 | 0 | | |
| | <i>(Specialized Equipment required by Utility)</i> | | \$0 | \$0 | \$0 | \$0 | 0 | | |
| | <i>(Other change order(s) descriptions)</i> | | \$0 | \$0 | \$0 | \$0 | 0 | | |
| Total Project Cost Including Change Orders | | 100% | \$747,276 | \$0 | \$0 | \$0 | 531 | | |

SCHEDULE F

Seller & Affiliates - Sample Certificate of Insurance



IDEAENE-49

JKAHN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/31/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | | | | | | | | | | | | | | |
|--|---|-------------------------------|--------|--|-------|---|-------|---|-------|--|-------|--|-------|-------------|--|
| PRODUCER Christensen Group, Inc. 9855 W 78th Street Suite 100 Eden Prairie, MN 55344-8004 | CONTACT NAME: Joshua Kahn PHONE (A/C, No, Ext): (952) 653-0119 FAX (A/C, No): E-MAIL ADDRESS: jkahn@christensengroup.com <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center; border-bottom: 1px solid black;">NAIC #</td> </tr> <tr> <td>INSURER A : Continental Casualty Company</td> <td style="text-align: right;">20443</td> </tr> <tr> <td>INSURER B : Transportation Insurance Co</td> <td style="text-align: right;">20494</td> </tr> <tr> <td>INSURER C : Continental Insurance Company</td> <td style="text-align: right;">35289</td> </tr> <tr> <td>INSURER D : SFM Mutual Insurance Company</td> <td style="text-align: right;">11347</td> </tr> <tr> <td>INSURER E : Underwriters at Lloyds, London</td> <td style="text-align: right;">15792</td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A : Continental Casualty Company | 20443 | INSURER B : Transportation Insurance Co | 20494 | INSURER C : Continental Insurance Company | 35289 | INSURER D : SFM Mutual Insurance Company | 11347 | INSURER E : Underwriters at Lloyds, London | 15792 | INSURER F : | |
| INSURER(S) AFFORDING COVERAGE | NAIC # | | | | | | | | | | | | | | |
| INSURER A : Continental Casualty Company | 20443 | | | | | | | | | | | | | | |
| INSURER B : Transportation Insurance Co | 20494 | | | | | | | | | | | | | | |
| INSURER C : Continental Insurance Company | 35289 | | | | | | | | | | | | | | |
| INSURER D : SFM Mutual Insurance Company | 11347 | | | | | | | | | | | | | | |
| INSURER E : Underwriters at Lloyds, London | 15792 | | | | | | | | | | | | | | |
| INSURER F : | | | | | | | | | | | | | | | |
| INSURED Ideal Energies LLC 8318 Pillsbury Ave S Bloomington, MN 55420 | | | | | | | | | | | | | | | |

| | | |
|---|----------------------------|-------------------------|
| COVERAGES | CERTIFICATE NUMBER: | REVISION NUMBER: |
| THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. | | |

| INSR LTR | TYPE OF INSURANCE | ADDL SUBR INSD WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS | | | | | | | | | | | | | | | | | | | | | |
|---|---|--------------------|------------------|-------------------------|-------------------------|---|---|----|------------|---|----|------------|------------------------------|----|---------|--------------------------------|----|-----------|-------------------|----|-----------|------------------------|----|-----------|--|----|--|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <div style="margin-left: 20px;"> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR </div> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input checked="" type="checkbox"/> OTHER: Policy & Project | | 7034110561 | 6/23/2025 | 6/23/2026 | <table style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td><td style="text-align: right;">1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$</td><td style="text-align: right;">100,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$</td><td style="text-align: right;">15,000</td></tr> <tr><td>PERSONAL & ADV INJURY</td><td style="text-align: right;">\$</td><td style="text-align: right;">1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$</td><td style="text-align: right;">2,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$</td><td style="text-align: right;">2,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td><td></td></tr> </table> | EACH OCCURRENCE | \$ | 1,000,000 | DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ | 100,000 | MED EXP (Any one person) | \$ | 15,000 | PERSONAL & ADV INJURY | \$ | 1,000,000 | GENERAL AGGREGATE | \$ | 2,000,000 | PRODUCTS - COMP/OP AGG | \$ | 2,000,000 | | \$ | |
| EACH OCCURRENCE | \$ | 1,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ | 100,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| MED EXP (Any one person) | \$ | 15,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| PERSONAL & ADV INJURY | \$ | 1,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| GENERAL AGGREGATE | \$ | 2,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| PRODUCTS - COMP/OP AGG | \$ | 2,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY | | 7034110494 | 6/23/2025 | 6/23/2026 | <table style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$</td><td style="text-align: right;">1,000,000</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td><td></td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td><td></td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td><td></td></tr> <tr><td></td><td style="text-align: right;">\$</td><td></td></tr> </table> | COMBINED SINGLE LIMIT (Ea accident) | \$ | 1,000,000 | BODILY INJURY (Per person) | \$ | | BODILY INJURY (Per accident) | \$ | | PROPERTY DAMAGE (Per accident) | \$ | | | \$ | | | | | | | |
| COMBINED SINGLE LIMIT (Ea accident) | \$ | 1,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| BODILY INJURY (Per person) | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BODILY INJURY (Per accident) | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PROPERTY DAMAGE (Per accident) | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0 | | 7034110415 | 6/23/2025 | 6/23/2026 | <table style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td><td style="text-align: right;">10,000,000</td></tr> <tr><td>AGGREGATE</td><td style="text-align: right;">\$</td><td style="text-align: right;">10,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td><td></td></tr> </table> | EACH OCCURRENCE | \$ | 10,000,000 | AGGREGATE | \$ | 10,000,000 | | \$ | | | | | | | | | | | | | |
| EACH OCCURRENCE | \$ | 10,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| AGGREGATE | \$ | 10,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| D | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N If yes, describe under DESCRIPTION OF OPERATIONS below N / A | | 127888.206 | 6/23/2025 | 6/23/2026 | <table style="width: 100%; border-collapse: collapse;"> <tr><td><input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER</td><td></td><td></td></tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$</td><td style="text-align: right;">500,000</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$</td><td style="text-align: right;">500,000</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$</td><td style="text-align: right;">500,000</td></tr> </table> | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER | | | E.L. EACH ACCIDENT | \$ | 500,000 | E.L. DISEASE - EA EMPLOYEE | \$ | 500,000 | E.L. DISEASE - POLICY LIMIT | \$ | 500,000 | | | | | | | | | |
| <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E.L. EACH ACCIDENT | \$ | 500,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| E.L. DISEASE - EA EMPLOYEE | \$ | 500,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| E.L. DISEASE - POLICY LIMIT | \$ | 500,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | Installation / Build | | 7034110561 | 6/23/2025 | 6/23/2026 | Leased/Rented Equip. 70,000 | | | | | | | | | | | | | | | | | | | | | |
| E | Prof. E&O/Pollution | | B0621PIDEA001625 | 6/23/2025 | 6/23/2026 | Deductible \$20,000 2,000,000 | | | | | | | | | | | | | | | | | | | | | |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Master Builders Risk Policy #7034104064, Continental Casualty Company, Effective 6/23/25 - 6/23/26, Solar Panel Limit \$4,000,000.
 E&O Coverage Limit \$2,000,000
 General Liability coverage applies to Designated Unmanned Aircraft (Drones) Coverage

| | |
|--|--|
| CERTIFICATE HOLDER <p style="text-align: center;">For Informational Purposes</p> | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE |
|--|--|

SCHEDULE G

Utility Insurance Requirements for Solar Equipment

Call your insurance company and let them know you are installing solar equipment on your roof and need to insure it. Have them issue the Certificate of Insurance information described below based on your solar array AC size as required to comply with Minnesota Power requirements. If your insurance company has any questions about the equipment, the installation or the below, please have them contact **Wendy Vorasane** of iDEAL Energies at **612.928.5008**.

Please have copies of both Certificates of Insurance (“COI”) emailed to wendy.vorasane@idealenergies.com.

System Information

System Size: 347.55 kWDC / 260 kWAC

Installation Cost: \$747,276.00

Installation Address: 115 W 4th Ave, Floodwood, MN 55736

- List the following information on the COI naming the Utility as an Additional Insured and Certificate Holder:

Minnesota Power

30 West Superior Street Duluth, MN 55802

- Make sure the physical address listed on your certificate of insurance matches up with the physical address where the solar array is installed.

SCHEDULE H

Additional Information Required by the Solar for Schools Grant Program

Fair Market Value

Customer is the legal and tax owner of the Energy System, and no purchase option or buyout is required at the end of the Facility Lease Agreement or Power Purchase Agreement. For Solar for Schools reporting purposes only, the estimated remaining fair market value after expiration of the 5-year service/PPA term is calculated as remaining production value from years 6 through 40, less estimated end-of-life removal and disposal cost.

| | |
|---|-----------------------|
| Energy Value ¹ | \$3,937,475.00 |
| End-of-Life Removal and Disposal ² | <u>-\$140,278.00</u> |
| FMV | \$3,797,197.00 |

System Component Reporting and End of Life Recycling

| 6. System Component Reporting and End of Life Recycling |
|---|
| <p>6.1 <u>System Level Work Order Execution</u>: At the time of any System level work order execution, Grantee's Developer shall be responsible for returning damaged and/or defective panels through the distribution chain for recycling and inverters to the manufacturer under warranty.</p> <p>6.2 <u>Operations and Maintenance (O&M)</u>: While engaged in an O&M contract, Grantee's Developer shall be responsible for tracking solar system equipment that ceases to function as intended (for any reason), recycling of any modules or inverters provided under this contract, and reporting this information in accordance with 6.6.</p> <p>6.3 <u>System Components Under Warranty</u>: Grantee's Developer shall be responsible for tracking System equipment under warranty that cease to function as intended (for any reason), recycling of any modules or inverters provided under this contract, and reporting this information in accordance with 6.6.</p> <p>6.4 <u>Third Party Ownership</u>: While engaged in a power purchase agreement (or third-party ownership model) contract, the Grantee's contractor shall be responsible for tracking solar system equipment that ceases to function as intended (for any reason), recycling of any modules or inverters provided under this contract and reporting this information in accordance with 6.6.</p> <p>6.5 <u>End of Life Decommissioning and Recycling</u>: at the time of decommissioning or System removal, Grantee shall be responsible for recycling any modules or inverters provided under this contract and reporting this information in accordance with 6.6.</p> <p>6.6 <u>Tracking and Reporting</u>: all tracking and recycling of System equipment that ceases to function as intended (for any reason) shall include counts of module and inverter type and be reported on an annual basis, by March 31 for the previous calendar year, to the Minnesota Pollution Control Agency (MPCA). A recycling and reporting form will be available on the Department's webpage and provided upon contract execution.</p> |
| <p>Deliverable(s):</p> <ul style="list-style-type: none">• Throughout the System's lifetime, a copy of the previous year's recycling and reporting form (which must be submitted to MPCA annually by March 31st for the previous year) is also submitted to the Department via <i>System Production – Annual Check-In</i> form.• Throughout the System's lifetime, the <i>System Production – Annual Check-In</i> form is satisfactorily completed annually beginning 12 months after System commissioning and is submitted online via the Department's GIW. |

¹ Energy Produced (kWh) during years 6 to 40 multiplied by the then effective utility rate.

² 40 year End-of-Life Removal and Disposal estimated cost is based on the following 2026 costs and an annual escalator of 3.5%: 592 panels @ 49.6 lb./each and \$0.40/lb.; 592 optimizers @ 2.34 lb./each and \$0.25/lb.; 3 inverters @ 78.2 lb./each and \$0.25/lb.; 24 hours electrician @ 120/hr.; 240 hours general labor @ 75/hr.; 6 @ 40 yard dumpster \$400 each; all metals recycled at zero cost.

25 Year System Cashflow Analysis
SFS26-9030

[THE 25 YEAR SYSTEM CASHFLOW ANALYSIS IS HEREBY
INCORPORATED INTO THIS AGREEMENT BY REFERENCE]

Limited Notice to Proceed Agreement to Safe-harbor Federal Tax Credit

**347.55 kW DC Solar Array
DOC - SFS**

| | |
|------------------------------------|--|
| Customer | Independent School District No. 698 - Floodwood School District |
| Site | 115 W 4th Ave, Floodwood, MN 55736 |
| Account / Account / Meter # | Meter # 575694 |
| LNTP # | 1 |

This **LIMITED NOTICE TO PROCEED AGREEMENT** (“**Agreement**”), dated **May 15, 2026** (“**Effective Date**”) is between **IDEAL ENERGIES, LLC**, a Minnesota limited liability company, whose principal place of business is located at **8318 Pillsbury Ave. So. Bloomington, MN 55420** (“**Seller**”), and **Independent School District No. 698 - Floodwood School District**, a Minnesota Public School, whose principal place of business is located at **115 4th Ave W , Floodwood, MN** (“**Customer**”). Seller and Customer are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

RECITALS

- A. Customer will own an Energy System with a nominal nameplate capacity of **347.55 kW DC** as described in the Purchase Agreement between the Parties of even date herewith to be built by Seller at the Site described above.
- B. Seller has represented that it is experienced and qualified in providing procurement, technical assistance, construction management, unloading, assembly, construction, erection, installation, and other balance of system services with respect to the Project.
- C. The Parties are contemporaneously negotiating a Purchase Agreement pursuant to which (i) Seller will provide the Energy System, and (ii) Seller will sell, and Customer will purchase, the Project.
- D. The Parties intend that the payment made pursuant to this Agreement constitutes payment of more than five percent (5%) of the total cost of the Energy System, with a six percent (6%) cushion, supporting the Five Percent Safe Harbor for low-output solar facilities under IRS Notice 2025-42, Section 6, and the related beginning-of-construction principles in IRS Notices 2013-29, 2018-59, and 2022-61, for purposes of establishing beginning of construction under IRC Section 48E, as applicable.
- E. Any capitalized term not defined herein shall have the meaning given to it in the Purchase Agreement, unless otherwise stated.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows

1. **Preliminary Work.** Upon execution of this Agreement, Customer authorizes Seller to perform the work (the “**Preliminary Work**”) set forth in **Exhibits A and B** attached hereto (the “**Preliminary Work Schedule**”). Seller shall diligently and efficiently perform the Preliminary Work in accordance with the scope and specifications set forth in the Preliminary Work Schedule. The Preliminary Work shall comply with all applicable laws, rules, permits, and

regulations governing the performance and installation thereof.

2. **Term and Termination.** This Agreement shall remain in effect until **July 5, 2026**, unless earlier terminated in accordance with the terms of this Agreement or extended by written agreement of the Parties; provided that Customer’s ownership, title, documentation, delivery, payment, tax-ownership, and safe harbor rights and obligations shall survive as necessary to preserve the Project’s intended safe harbor and federal elective-payment position.
3. **Payment.** Customer shall pay Seller the Safe Harbor Payment shown in the Preliminary Work Schedule in the amount of **\$44,836.56**, net fifteen (15) days after receipt of Seller’s invoice, but no later than **June 15, 2026**. Payment of the amount due under this Section 3 shall represent complete compensation to Seller for the Preliminary Work described in Exhibits A and B. The payment is exclusively for the energy property items described in Exhibit B, which is non-refundable except as expressly provided in this LNTP.
4. **Agreement Wrap.** Upon execution and delivery of the Purchase Agreement and related Transaction Documents, the Preliminary Work and all System Components purchased under this Agreement shall be included in the Project and shall be subject in all respects to the Purchase Agreement, except that Customer’s ownership, title, safe harbor documentation rights, and payment obligations under this Agreement shall remain effective as necessary to preserve the Project’s safe harbor position.
5. **Title; Delivery; Documentation.** Title to and risk of loss of all materials, equipment, and other property comprising the Preliminary Work shall pass to Customer upon Seller’s acquisition of the identified equipment using Customer’s Safe Harbor Payment. Seller shall deliver physical possession of the System Components to Customer or make such components available to Customer under a mutually agreed storage arrangement, within 105 days after Customer’s payment date. Seller shall provide Customer with documentation of the safe harbor purchase transaction.
6. **Safe Harbor Use of Funds.** Seller shall use the Safe Harbor Payment only to purchase specifically identified energy property for the Project and related Preliminary Work described in Exhibit B. Seller shall not commingle or reallocate the Safe Harbor Payment to equipment for another project unless Customer provides prior written consent and the reallocation preserves Customer’s safe harbor position.
7. **Compliance-Preserving Substitutions.** Seller may substitute System Components only if the substituted equipment preserves the Project’s intended domestic content, FEOC, safe harbor, utility interconnection, Solar for

Schools, and federal elective payment compliance positions. Any substitution that could materially affect the Project's federal elective payment, domestic content bonus, FEOC status, safe harbor position, grant eligibility, system size, or utility approval shall require prior written notice to Customer and documentation supporting continued compliance.

8. **Tax Ownership; Grant and Elective Payment.** Customer shall remain the intended tax owner of the Energy System, the Solar for Schools grantee, and the applicable entity entitled to claim the federal elective payment. Nothing in this Agreement assigns the Solar for Schools Incentive, the federal Tax Credit, or the elective payment to Seller or Tenant.
9. **Domestic Content and FEOC Documentation.** At Final Completion, Seller shall provide Customer with documentation reasonably sufficient to support the Project's intended Domestic Content Bonus and FEOC compliance position and records supporting Customer's federal tax filing position.
10. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
11. **Waiver.** Any waiver of the provisions of this Agreement must be in writing and shall not be implied by any usage of trade, course of dealing or course of performance. No exercise of any right or remedy by either Party constitutes a waiver of any other right or remedy contained or provided by applicable law. Any delay or failure of a Party to exercise or any partial exercise its rights and remedies under this Agreement shall not operate to limit or otherwise affect such rights or remedies. Any waiver of performance hereunder shall be limited to the specific performance waived and shall not, unless otherwise expressly stated in writing, constitute a continuous waiver or a waiver of future performance.
12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, nor any portion thereof, without the prior written consent of the other Party. Any other attempted assignment or transfer without prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (i) reasonable prior notice of any such assignment shall be given to the other Party; and (ii) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.

13. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principles. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in St Louis County, Minnesota.
14. **No Other Agreements.** This Agreement comprises the entire understanding of the Parties with respect to its subject matter and supersedes all prior or contemporaneous agreements and understandings of the Parties, verbal or written, relating to the subject matter hereof.
15. **Counterparts.** This Agreement may be executed in any number of separate counterparts and delivered by electronic means, each of which when so executed shall be deemed an original, and all said counterpart taken together shall be deemed to constitute but the same instrument.

Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Seller:
IDEAL ENERGIES, LLC

By: _____
Chris Psihos, its President

Date: _____

Customer:
Independent School District No. 698 - Floodwood School District

By: _____
Name: Susan Hoeft, its Superintendent

Date: _____

Exhibit A

LNTF Preliminary Work Schedule

Statement of Preliminary Work

1. Seller will secure eligible System Components for the Project using the Customer's Safe Harbor Payment for the Energy System equal to 6% of the Installation Cost.
2. At Seller's election, the parts for the Project from the table below will be purchased pursuant to this Agreement as provided in Exhibit B:

Safe Harbor as a % of Installation Cost: 6.0%

Safe Harbor Amount: \$44,836.56

| Part | Part Description | Total Project Quantity | LNTF Quantity | LNTF Rate | LNTF Amount |
|-------------------|---|------------------------|---|-----------|-------------|
| Panels | Silfab SIL-580XM+ - DCB (Dom Con) | 173 | See Safe Harbor Invoice in Exhibit B | | |
| | Phono PS590M8GFH-24/TNH | 419 | | | |
| Inverters | SolarEdge SE100k 480V3Ph Inverter (Dom Con) | 1 | | | |
| | SolarEdge SE80k 480V3Ph Inverter (Dom Con) | 2 | | | |
| Optimizers | SolarEdge C651U Power Optimizer (Dom Con) | 592 | | | |
| Racking | Panel Claw (CFR+) (Dom Con) | 246.7605 kWDC | | | |
| | Aerocompact S Base | 100.7895 kWDC | | | |

Preliminary Work Schedule to satisfy safe harbor requirements (IRS Notice 2025-42, Section 6)

1. Seller will invoice Customer for the 6% initial deposit in an amount that exceeds the 5% safe harbor test threshold.
2. Customer will pay Seller's invoice for the initial deposit before June 15, 2026, to allow Seller time to purchase parts before July 4, 2026.
3. Seller will secure and purchase System Components described in Exhibit B in an amount equal to 6% of the Installation Cost by July 4, 2026, supporting Customer's intended eligibility for the \$298,910.00 federal Tax Credit and elective payment.
4. Customer will receive title to the System Components as provided in Section 5 of this LNTF and will receive physical possession, or the components will be made available to Customer under a mutually agreed storage arrangement, within 105 days after Customer's payment of the Safe Harbor Payment, which is intended to support the Project's beginning-of-construction position under IRS Notice 2025-42, Section 6 and related guidance. Seller will store the System Components at its expense for the Customer until Substantial Completion occurs.
5. The Seller will provide the customer a transaction documentation summary including an invoice, bill of sale, payment receipt, equipment list, serial numbers if available, warehouse location, and a statement that the equipment is being held separately for the customer's specific project.

Exhibit B
Seller's Safe Harbor Invoice

[PROVIDED BY SELLER AFTER THE
TRANSACTION DOCUMENTS ARE EXECUTED]

Facility Lease Agreement

**347.55 kW DC Solar Array
DOC - SFS**

| | |
|------------------------------|--|
| Customer | Independent School District No. 698 - Floodwood School District |
| Utility | Minnesota Power |
| Site | 115 W 4th Ave, Floodwood, MN 55736 |
| Account / Meter # | Meter # 575694 |

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Contingency.** The Parties' performance under this Agreement is contingent on Substantial Completion occurring for the Project in accordance with the terms of the Purchase Agreement.
2. **Lease of Energy System and Leased Space.** Customer hereby leases to Tenant, and Tenant hereby leases from Customer the following: (a) the Energy System, and (b) all roof/ground space required for the installation and operation of the Energy System on the Site ("**Leased Space**") as generally prescribed on the Plan View Drawing included herewith as **Schedule A**, including rights to place wiring to the point of interconnection. The Plan View Drawing provided to Customer by Seller in its Operations Manual after Substantial Completion occurs is hereby incorporated into Schedule A of this Agreement by reference. The Energy System and the Leased Space together constitute the leased property ("**Leased Property**").
3. **Installation Cost Payment.** The Installation Cost and related payments shall be paid in accordance with the Purchase Agreement. The Parties do not intend for Tenant to become the tax owner of the Energy System or the recipient of the Solar for Schools Incentive or federal elective payment.
4. **Access to Leased Space.** Customer grants to Tenant the right to access the Leased Space via reasonable route(s) over and across the Site upon reasonable prior notice to the Customer. Customer will cooperate with Tenant to access the electrical meter or any other part of the Energy System, if not located within the Leased Property.
5. **Permitted Use of Leased Space.** During the Term (as defined below), Tenant shall have the exclusive right to use the Leased Space for the construction, installation, operation, maintenance, repair, replacement, relocation, reconfiguration, removal, alteration, modification, improvement, use and enjoyment of the Energy System (and other necessary and incidental uses for the operation of the Energy System) ("**Permitted Uses**"). Tenant may not erect any other facilities or use any other equipment on the Leased Space that is not expressly permitted under the terms of this Agreement without first obtaining Customer's written consent, which consent shall not be unreasonably withheld, delayed or conditioned provided the other facilities or equipment are related to the operation of the Energy System and are not likely, in Customer's reasonable opinion, to damage the Site or materially interfere with Customer's business.

This FACILITY LEASE AGREEMENT ("**Agreement**"), dated **May 15, 2026** ("**Effective Date**") is between **Ideal Energies Solar Leasing, LLC**, a Minnesota limited liability company, whose principal place of business is located at 8318 Pillsbury Avenue South Bloomington, MN 55420 ("**Tenant**"), and **Independent School District No. 272 - Eden Prairie Schools**, a Minnesota Public School, whose principal place of business is located at 8100 School Road, Eden Prairie, MN ("**Customer**"). Tenant and Customer are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**".

RECITALS

- A. Customer is the owner of that certain Site located at **115 W 4th Ave, Floodwood, MN 55736** named Floodwood Elementary that is presently used as a(an) Elementary School ("**Site**").
- B. Tenant desires to lease from Customer, and Customer desires and is authorized to lease to Tenant, subject to the terms and conditions of this Agreement, a portion of the Site for the construction, operation and maintenance of a photovoltaic solar electric system ("**Energy System**") owned by the Customer as further described in that certain Purchase Agreement between Customer and Ideal Energies, LLC ("**Seller**") of even date herewith ("**Purchase Agreement**").
- C. Customer will be the legal owner of the Energy System when Substantial Completion (as defined in the Purchase Agreement) occurs, and Customer desires to lease the same to Tenant subject to the terms and conditions of this Agreement.
- D. Tenant and Customer will, in connection with this Agreement, enter into a **Power Purchase Agreement** ("**Power Purchase Agreement**") pursuant to which Tenant will provide power generated by the Energy System to Customer.
- E. The Project may be eligible to receive a federal investment tax credit and elective payment pursuant to Internal Revenue Code Section 48E, as applicable. Including any applicable domestic content bonus or other adder, the Project is expected to support a Tax Credit equal to 40% of eligible basis. For federal tax purposes, Customer and Tenant intend that Customer will be the owner of the Energy System and the applicable entity that is entitled to claim the elective payment.
- F. Any capitalized term not defined herein shall have the meaning given to it in the Purchase Agreement, unless otherwise stated.

6. **Term.** The term of this Agreement shall begin on the Substantial Completion Date and shall terminate on the 5th anniversary thereafter (“**Term**”).
7. **Rent of Leased Space.** Beginning on the first anniversary of the Substantial Completion Date and continuing on each and every anniversary thereof throughout the Term, Tenant shall pay to Customer rent for the Leased Space. Such rent shall be **\$225.00** per year (“**Leased Space Rent**”).
8. **Rent of Energy System.** Beginning on the first anniversary of the Substantial Completion Date and continuing on each and every anniversary thereof throughout the Term, Tenant shall pay to Customer rent for the Energy System. Such rent shall be **\$25.00** per year (“**Energy System Rent**”).
9. **Holdover.** If Tenant holds over its tenancy after expiration of the Term, such tenancy shall be month-to-month subject to the terms and conditions of this Agreement. Either Party may terminate such month-to-month tenancy at any time upon the giving to the other Party no less than thirty (30) days written notice.
10. **Operating Permits.** Tenant shall, at its sole expense, maintain in full force and effect all certificates, permits and other approvals (“**Operating Permits**”) required by any federal, state or local authorities having jurisdiction over Tenant or the Leased Property.
11. **Energy System Title and Condition on Facility Lease Agreement Termination.** The Parties agree that legal title to any and all fixtures, equipment, improvements or personal property of whatsoever nature at any time constructed or placed on or affixed to the Leased Space by Tenant, including without limitation the Energy System and its System Components, shall remain with Customer. Tenant shall return the Energy System at the end of this Agreement in substantially the same condition as existed on the Substantial Completion Date, plus any improvements, with ordinary wear and tear and casualty damage excepted.
12. **Energy System Operation and Maintenance.** At Tenant’s expense, Tenant will monitor the Energy System’s performance and keep and maintain the Energy System in good condition and repair in accordance with the Maintenance Services provided in **Schedule B**; provided, however, the Parties acknowledge Schedule B is a guideline, to which strict adherence is not expected by the Parties (“**Maintenance Services**”). Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer(s) at its own expense, and may look only to such manufacturer, and not to Tenant, for any warranty with respect thereto. Tenant will assist Customer in resolving any warranties relating to System Components as described in Schedule B. Tenant shall prevent any liens from attaching to the Leased Space or the Site resulting from its maintenance activities, and shall defend, indemnify, and hold Customer harmless from the same. If Tenant fails to meet such obligation, Customer may discharge, satisfy, or settle such liens, and Tenant shall, within thirty (30) days of a written request by Customer, reimburse Customer for all costs and expenses incurred by Customer, including but not limited to attorneys’ fees. After the expiration of the Term, Customer will provide its own Maintenance Services, or contract with Tenant, Seller, or another service provider for said services.
13. **Customer’s Repair of Leased Space During Term.** Customer shall have the right at any time to access the Leased Space to inspect, maintain, replace or repair items and components thereof, excluding the Energy System. (“**Customer Maintenance**”). Customer shall provide thirty (30) days prior notice of any scheduled Customer Maintenance, except in the case of an emergency, Customer shall give notice as soon as practicable. Customer, at its own cost, will perform Customer Maintenance, and use Seller or another third party approved by Tenant to perform services required to be performed to the Energy System during Customer Maintenance (Tenant’s approval of third parties will not be unreasonably withheld). Customer Maintenance will be performed at Tenant’s expense to the extent the Customer Maintenance was required as a result of damage to the Leased Space caused by Tenant.
14. **Utilities / Taxes.** After Substantial Completion Date, Tenant shall pay all taxes and assessments levied upon the Energy System and other personal property located and/or installed on the Site by Tenant that are related and attributed to consideration paid to Customer by Tenant for the Leased Space and the lease of the Energy System.
15. **Interference.**
 - a. **Interference by Tenant.** Tenant shall operate the Energy System in a manner that will not unreasonably interfere with any existing operations or equipment located, operated or owned by Customer or any other permitted occupants as of the date of this Agreement. All operations by Tenant shall be lawful and in material compliance with all regulations and requirements of the Minnesota Public Utilities Commission, as well as any other applicable state, federal or local regulations and requirements and any applicable agreements with, or tariffs of, the local Utility.
 - b. **Interference by Customer.** Following installation of the Energy System, Customer shall not cause or permit any other persons or parties to, install equipment or facilities or construct or allow any construction of a structure or structures (“**New Construction**”) near the Leased Space if such New Construction would interfere with the Energy System or its performance. Customer shall not move, modify, remove, adjust, alter, change, replace, reconfigure or operate the Energy System or any part of it during the term of the Agreement without prior written direction or approval of Tenant, except if there is an occurrence reasonably deemed by Customer to be a bona fide emergency, in which case Customer will immediately notify Tenant of such emergency and Customer’s proposed actions. Customer shall be responsible for, and promptly notify Tenant, of any damage to the Energy System caused by the Customer or its employees, invitees or agents, and shall promptly pay Tenant the costs to repair such damage to the Energy System, and Power Payments (as defined in the Power Purchase Agreement) due to Tenant.
16. **Insurance.**
 - a. **General Liability and Property Insurance.** Customer shall (i) keep the Energy System insured against loss by fire, theft, hail and wind (ii) at all times will insure the Energy System at an amount equal to its replacement cost and (iii) will provide Tenant with a certificate of insurance that names Tenant as loss payee as further described in **Schedule C**. Customer shall also secure and maintain adequate comprehensive general liability insurance against liability related to the Energy System. Customer shall provide Tenant with evidence of having acquired such insurance coverages prior to the Substantial Completion Date and on an annual basis thereafter. The loss, injury or destruction of the

Energy System shall not release Customer from payments due under the Transaction Documents as provided in this Agreement. Any insurance policies obtained by Customer shall provide that such policy of insurance cannot be terminated or cancelled by the insurer without thirty (30) days prior written notice to Tenant. In the event of Casualty, Customer is responsible for any deductibles due under the insurance policies and will pay Tenant said deductible along with insurance proceeds that Tenant will use to repair the Energy System. Customer's failure or refusal to repair and recommission an Energy System following a loss shall constitute a breach of this Agreement.

- b. **Workers' Compensation Insurance and Employers' Liability Insurance.** In accordance with Minnesota state law, Tenant shall maintain in force workers' compensation insurance for all of its employees. Tenant shall also maintain employer's liability coverage in an amount of not less than One Million Dollars (\$1,000,000.00) per accident. Tenant shall also secure and maintain adequate comprehensive general liability insurance against liability related to the Leased Property. Upon request, Tenant will provide Customer with a certificate of insurance.

17. **Indemnification.**

- a. Tenant shall indemnify and hold harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates (each a "**Tenant Indemnified Party**") against any damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "**Damages**") incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any breach of this Agreement by Tenant, or (ii) negligent or wrongful acts of Tenant or its employees or agents in connection with the transactions contemplated by this Agreement.
- b. Tenant shall indemnify Customer from any mechanic's, materialman's, or other lien with respect to the Site or the Leased Property to the extent such lien is attributable to Tenant's failure to pay the Installation Cost or other costs incurred in the performance of Tenant's obligations for maintenance and repair of the Energy System.
- c. To the extent permitted by law, Customer shall indemnify and hold harmless Tenant and its officers, directors, members, consultants, representatives, agents, employees and affiliates (each a "**Customer Indemnified Party**") against any Damages incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any breach of this Agreement by Customer, or (ii) negligent or wrongful acts of Customer or its employees or agents in connection with the transactions contemplated by this Agreement.
- d. A Customer Indemnified Party or Tenant Indemnified Party claiming indemnification or Damages hereunder must give each Party prompt notice of the relevant claim and each Party agrees to cooperate with each other Party, at its own expense, in the defense of such claim. Notwithstanding the foregoing, any Party from whom indemnification or Damages are sought, shall control the defense and settlement of such claim; provided however that such Party shall not agree to any settlement that materially adversely affects the

other Party without the prior written consent of such Party, which approval shall not be unreasonably withheld. Without limiting or diminishing the foregoing, any Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.

18. **Miscellaneous.**

- a. **Relationship of the Parties.** No provision of this Agreement may be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.
- b. **Entire Agreement / Recitals Integral.** This Agreement and all schedules, exhibits and attachments hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter. The Recitals set forth above in this Agreement are and for all purposes shall be interpreted as being an integral part of this Agreement and are incorporated by reference.
- c. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- d. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- e. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- f. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- g. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- h. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its

conflict of laws principles. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in St Louis County, Minnesota.

- i. **Severability.** The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.
- j. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, nor any portion thereof, without the prior written consent of the other Party, which shall not be unreasonably withheld. Any other attempted assignment or transfer without prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (i) reasonable prior notice of any such assignment shall be given to the other Party; and (ii) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.
- k. **UCC Terms.** All terms in this Agreement that are not otherwise defined herein and are defined in the Minnesota Uniform Commercial Code, as amended from time to time ("**UCC**") shall have the meanings set forth in the UCC and such meanings will automatically change at the time that any amendment to the UCC, which changes such meanings, becomes effective.
- l. **Utility Exclusivity / Subordination to Utility Agreements.** All electric power generated from the Energy System will be used on-Site by the Customer or exported to the Utility and will not be sold to any third party. The Parties agree the Utility retains exclusive control of all power otherwise provided to the Customer. Tenant makes no claims to Renewable Energy Certificates associated with the Project. No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Customer or Tenant are a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements shall control. Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.
- m. **Additional Information Required by the Solar for Schools Grant Program.** All electronic equipment, including but not limited to solar panels, inverters, optimizers, and electronic components that are disposed of by Tenant in conjunction with this Agreement, will be managed by Tenant in accordance with then-applicable recycling regulations. Customer will perform end-of-life Energy System removal and disposal at Customer's expense.

The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Tenant
Ideal Energies Solar Leasing, LLC

By: _____
Richard Ragatz, its Vice President

Dated: _____

Customer:
Independent School District No. 698 - Floodwood School District

By: _____
Susan Hoeft, its Superintendent

Dated: _____

SCHEDULE A

Site Plan

Plan View Drawing indicating the final location of the Energy System on the Leased Space and the point of interconnection of the Energy System with the electrical system at the Site

[The above document is provided by Seller, and is included in the Owner's Manual that is provided to Customer after Substantial Completion]

SCHEDULE B

Maintenance Services

1. Operation and Maintenance Standard of Care. Tenant will use commercially reasonable efforts to identify, respond to, and complete necessary maintenance and repairs and to operate the Energy System to operate the Energy System in accordance with the Design Documents and manufacturers' Operating Manuals (as described in the Purchase Agreement). Notwithstanding the foregoing, the Parties understand that delays may be caused by multiple reasons including without limitation, delay in the identification of operational issues, troubleshooting issues, warranty replacement, warranty procurement, force majeure, parts availability, parts delivery, crew availability, equipment defects, equipment performance, internet downtime, and similar causes.

2. Maintenance Services. The following Maintenance Services ("**Maintenance Services**") are provided by Tenant at Tenant's sole expense as described in Section 12 of this Agreement:

- A. Weekly performance monitoring via online monitoring system to validate performance of panels and inverters, energy production; benchmark performance vs. similar systems for validation
- B. Identify any defective equipment via on-line monitoring system
- C. Semi-annual site audits of the Energy System performing the following tasks
 - 1. Inspect panels, inverters, and racking for physical damage
 - 2. Clean any debris on or under the solar arrays
 - 3. Ensure labels are intact
 - 4. Check for loose hanging wires, repair as necessary
 - 5. Check electrical connections, tighten/torque as necessary
 - 6. Check for corrosion of electrical enclosures, repair as necessary
- D. Tenant will manage System Component warranty claims on behalf of Customer

3. Fees for Parts Replaced Under Manufacturer's Warranty. For twelve (12) months after the Substantial Completion Date, Tenant will provide the Maintenance Services at Tenant's sole expense. Beginning on the thirteenth (13) month, the following fees will be charged to Customer where Tenant removes and reinstalls parts that are available and replaced under the manufacturer's warranty. Inverters will be serviced as soon as possible after identification of a performance issue.

- 1. Panel Replacement & Recycling Services - \$150 / each
- 2. Optimizer Replacement Services - \$75 / each
- 3. Inverter Replacement Services
 - o 20 to 50 kW inverter - \$250 / each
 - o 51 to 100 kW inverter - \$400 / each
 - o >100 kW inverter - \$600 / each
- 4. Electrical Labor - \$120/hr.

4. Fees for Other Services. For Services not included in Section 3 above, the following rates apply

- 1. Electrical Labor - \$120/hr.
- 2. Parts - Cost + 15%

5. Payment for Services. Payment is due for any services provided by Tenant under Section 3 above 30 days from Tenant's invoice date.

SCHEDULE C

Tenant Insurance Requirements for Solar Equipment

Call your insurance company and let them know you are installing solar equipment on your roof and need to insure it. Have them issue the Certificate of Insurance described below as required to comply with Facility Lease requirements. If your insurance company has any questions about the equipment, the installation please have them contact **Wendy Vorasane** of iDEAL Energies at **612.928.5008**.

Please have copies of both Certificates of Insurance emailed to wendy.vorasane@idealenergies.com.

System Information

System Size: 347.55 kWDC / 260 kWAC

Installation Cost: \$747,276.00

Installation Address: 115 W 4th Ave, Floodwood, MN 55736

CERTIFICATE OF INSURANCE

Ideal Energies Solar Leasing, LLC as a Certificate Holder

1. Have them provide a certificate of insurance naming the Tenant as loss payee:

Ideal Energies Solar Leasing, LLC

8318 Pillsbury Ave. So. Bloomington, MN 55420

2. Make sure the physical address listed on your policy matches the physical address at the Site where the Energy System is installed.

Power Purchase Agreement

347.55 kW DC Solar Array
DOC - SFS

| | |
|-------------------|---|
| Customer | Independent School District No. 698 - Floodwood School District |
| Utility | Minnesota Power |
| Site | 115 W 4th Ave, Floodwood, MN 55736 |
| Account / Meter # | Meter # 575694 |

This **POWER PURCHASE AGREEMENT** (“**Agreement**”), dated **May 15, 2026** (“**Effective Date**”) is between **Ideal Energies Solar Leasing, LLC**, a Minnesota limited liability company, whose principal place of business is located at **8318 Pillsbury Avenue South Bloomington, MN 55420, MN 55420** (“**Tenant**”), and **Independent School District No. 698 - Floodwood School District, a Minnesota Public School**, whose principal place of business is located at **115 4th Ave W , Floodwood, MN** (“**Customer**”). Tenant and Customer are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

RECITALS

- A. Tenant leases, operates and maintains the photovoltaic solar electric system described in Schedule A (“**Energy System**”) located at the Site, as defined in that certain **Purchase Agreement** between Customer and **Ideal Energies, LLC** (“**Seller**”) of even date herewith (“**Purchase Agreement**”) pursuant to a Facility Lease Agreement between the Parties of even date herewith (“**Facility Lease Agreement**”).
- B. Tenant will operate and maintain the Energy System and arrange for delivery of the electric energy generated by the Energy System to Customer, and Customer desires to receive the benefit of such electricity.
- C. Contemporaneous or near the Substantial Completion Date for the Energy System, Customer will enter into Utility Agreements with Utility pursuant to which Customer will interconnect the Energy System to the Utility’s grid.
- D. Pursuant to the Facility Lease Agreement and the Purchase Agreement, for tax purposes Customer and Tenant intend that Customer is the owner of the Energy System and the applicable entity entitled to claim any federal elective payment. Tenant shall not take any position inconsistent with Customer’s tax ownership or elective-payment claim.
- E. Any capitalized term not defined herein shall have the meaning given to it in the Purchase Agreement, unless otherwise stated.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Contingency.** The Parties’ performance under this Agreement is contingent on Substantial Completion occurring for the Project in accordance with the terms of the Purchase Agreement.
2. **Power Purchase.** Tenant shall deliver all power generated from the Energy System to Customer at the point of interconnection shown on Schedule A of the Facility Lease Agreement.

- a. **Power Payments.** Customer will pay Tenant the fixed monthly Power Payments specified in **Schedule A** of this Agreement (“**Power Payments**”).
- b. **Payment Remittance / Sales Tax.** The Power Payments are due monthly beginning on the first day of the first month following the Substantial Completion Date and continuing each month until expiration of the Term (as defined below) of this Agreement. Power Payments do not include any sales tax. Sales tax will be added to the Power Payments based on Customer’s applicable sales tax rate. Customer will remit and mail payments to Tenant, or its assignee, to the address below:

Ideal Energies Solar Leasing, LLC
8318 Pillsbury Avenue South
Bloomington, MN 55420

3. **Renewable Energy Certificates.** Pursuant to the Solar for Schools Program, the Renewable Energy Certificates (“**RECs**”) for the Energy System belong to (1) public utilities per Minn. Stat. § 216C.375, subd. 12 for the life of the Energy System, (2) to the Customer the Customer subject any required assignment to any non-public utility. For purposes of this Agreement, RECs include all attributes of an environmental or other nature that are created or otherwise arise from the Energy System, including, without limitation, tags, certificates, or similar projects or rights associated with solar energy as a “green” or “renewable” electric generation resource. RECs shall also include any other environmental attribute intended to be transferred to the Utility under the Utility Agreements.
4. **Term.** The term of this Agreement shall begin on the Substantial Completion Date and shall terminate on the last day of the **5th** year thereafter (“**Term**”).
5. **Late Charge / Costs of Collection.** In the event Customer fails to make any payment when due, Customer agrees that Tenant may charge interest at the rate provided in Minnesota Statutes 549.09, subd. 1(c)(1)(i) on a monthly basis on the amount of any payments remaining unpaid more than ten (10) days from the due date until paid in full. In addition, Customer agrees to pay Tenant’s attorney’s fees and costs of collection, including expert witness fees, whether a lawsuit is commenced or not commenced, and Customer’s liability for attorneys’ fees and costs of collection, including expert witness fees, extending to any appeals.
6. **Grant of Security Interest.** To secure the payment and performance of all of Customer’s liabilities, obligations and covenants under this Agreement or the Facility Lease Agreement, Customer hereby grants to Tenant a continuing security interest in all RECs owned by Customer, any interest the Customer has in the Energy System, together with all attachments, accessories or replacement parts placed upon the Energy System, and in all proceeds of each

of the foregoing. Upon the request of Tenant, Customer shall promptly obtain a subordination agreement in favor of Tenant from any third-party lienholder who may have a lien or security interest in any of the foregoing. Tenant's security interest and other rights under this Section shall be extinguished upon the later of termination of this Agreement and the Facility Lease Agreement and performance of all of Customer's obligations hereunder and thereunder, and Tenant shall execute and file any evidence of such extinguishment reasonably requested by Customer.

7. **Insurance.** Customer shall keep the Energy System insured against loss by fire, theft, hail and wind and such other hazards as required by the Facility Lease Agreement. The loss, injury or destruction of the Energy System shall not release Customer from making all Power Payments due under this Agreement.

8. **Events of Default.** Each of the following shall constitute an event of default ("**Event of Default**"):

- a. Customer shall fail to make any payment to Tenant when due hereunder, Tenant has notified Customer of such failure, and the failure has continued without cure by Customer or written waiver by Tenant for a period of thirty (30) days after the notice of failure;
- b. Customer shall breach in any material respect any representation, warranty or covenant contained in any Transaction Documents (as defined in the Purchase Agreement), Tenant has notified Customer of the breach, and the breach has continued without cure by Customer or written waiver by Tenant for a period of thirty (30) days after the notice of breach;
- c. Customer becomes insolvent, makes an assignment for the benefit of creditors, or files any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors;
- d. Any involuntary petition shall be filed under any bankruptcy statute against Customer, or any receiver, trustee, or similar official shall be appointed to take possession of the properties of Customer unless such petition or appointment ceases to be in effect within thirty (30) days of such filing or appointment;
- e. The Customer fails to comply with any of its obligations under any of Customer's agreements with the Utility; or
- f. The Customer's failure or refusal to allow Tenant to repair and recommission an Energy System following a casualty loss.

9. **Remedies.**

- a. If an Event of Default occurs, Tenant may, at its option, exercise any one or more of the following remedies:
 - i. Declare all undisputed amounts then due under this Agreement immediately due and payable;
 - ii. Recover any additional damages and expenses sustained by Tenant by reason of the Event of Default;
 - iii. Enforce the security interest granted hereunder, in which event Customer agrees to make the Energy System available to Tenant at a place or places acceptable to Tenant and Tenant shall have the right to take possession of the Energy System without legal process for which purpose Tenant may enter any premises where the Energy System may be found without legal process and without breaching the peace, provided that in such case

the fair market value of the Energy System shall offset any amounts due under this Agreement;

- iv. Retain all payments made by Customer as liquidated damages for the non-performance of this Agreement, for use of the Energy System and for depreciation thereof;
- v. Exercise any other remedies available under law, including those under Article 9 of the UCC.

b. In the event the Energy System is sold, foreclosed on, or repossessed in the manner provided herein or by law and the fair market value of the Energy System as determined by a qualified independent third-party appraiser is not sufficient to pay the amount due under this Agreement, Customer agrees to pay immediately to Tenant such deficiency. In the event the Energy System is sold, foreclosed on, or repossessed in the manner provided herein or by law and the fair market value of the Energy System exceeds the amount that Customer is required to pay Tenant under this Agreement, Tenant agrees to pay immediately to Customer such excess.

c. The remedies provided herein shall be cumulative and may be exercised singularly, concurrently or successively with and in addition to all other remedies in law or equity. If either Party fails to perform any of its obligations under this Agreement, the other Party may (but need not) at any time thereafter perform such obligation, and the expenses incurred in connection therewith shall be payable in full by the nonperforming Party upon demand. In addition, the nonperforming Party agrees to pay the other Party's reasonable attorney's fees and costs of collection in pursuing any remedies.

10. **Annual Energy Production Not Guaranteed. EXCEPT FOR THE POWER PAYMENT ADJUSTMENT AND GUARANTEED ENERGY-SAVINGS COMMITMENTS EXPRESSLY SET FORTH IN SECTIONS 13 AND 14, THE PARTIES UNDERSTAND AND AGREE THE ANNUAL ENERGY PRODUCTION FROM THE ENERGY SYSTEM MAY VARY FROM ANNUAL PROJECTIONS FOR REASONS BEYOND THE PARTIES CONTROL INCLUDING WITHOUT LIMITATION SEASON WEATHER VARIATIONS, ROUTINE AND NON-ROUTINE MAINTENANCE CAUSING DOWNTIME, EQUIPMENT PERFORMANCE, PROCESSING ANY EQUIPMENT WARRANTIES FOR MALFUNCTIONING EQUIPMENT, FORCED MAJEURE, ETC. THE PARTIES UNDERSTAND THAT THE UTILITY BILL CREDITS, INCENTIVE, RECS, NET METERING CREDITS, AND UTILITY BILL SAVINGS THAT ARE RECOGNIZED BY THE PROJECT WILL VARY WITH UTILITY RATES, THE ENERGY SYSTEM'S ENERGY PRODUCTION, ACTUAL SITE ENERGY DEMAND OR CONSUMPTION PROFILES, OR SIMILAR, AND THAT THE ACTUAL AMOUNTS RECOGNIZED OR RECEIVED BY THE PARTIES WILL VARY ACCORDINGLY. TENANT DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, THAT PRODUCTION WILL MATCH PROJECTIONS, AND CUSTOMER AND TENANT ASSUME THE**

VARIABILITY OF POTENTIAL OUTCOMES AT THEIR SOLE RISK.

11. **Utility Bill & Net Metering Credits.** The Utility Bill Credits and Net Metering Program (as described in the Purchase Agreement), are owned by, and for the exclusive use of Customer or its tenant. In the event the actual Utility Bill Credits or Net Metering Credits received are greater or less than the expected, there will be no adjustment to the terms of this Agreement, and each Party waives its right to recover any surplus or deficiency from the other Party.
12. **Customer's Maximum Power Payment Obligation.** Customer's maximum Power Payment obligation to Tenant under this Agreement is the sum of all the Power Payments listed in Schedule A.
13. **Power Payment Adjustment.** Except where the reimbursement due under this Section is caused by Customer's breach of this Agreement, or the Energy System being non-operational during Energy System replacement or periods of Customer's Maintenance performed in accordance with Sections 12 or 13 of the Facility Lease Agreement, if the Energy System does not produce 85% of the estimated energy production (kwh/year) calculated on a calendar year basis excluding any fractional years, at the end of each calendar year, Tenant will reimburse Customer within ninety (90) days after the then end of that calendar year as follows:
 - a. Total Power Payments paid to Tenant during a calendar year * (1 - (actual annual kWh produced / 85% of the estimated kWh produced)).
 - b. For example, in year 1, the Energy System is estimated to produce 10,000 kWh, the system produces 8,000 kWh, or 80% of the estimated energy production, and total Power Payments paid to Tenant are \$1,000. A \$58.82 cash reimbursement will be paid to Customer that is calculated as follows: $\$1,000.00 * (1 - (80\%/85\%)) = \58.82 .
14. **Guaranteed Energy Savings Contract.** The Parties acknowledge that the Purchase Agreement identifies Seller as the qualified provider under Minn. Stat. § 471.345, subd. 13, and that the written guaranteed energy-savings commitment required by that statute is provided by Seller in the Purchase Agreement and supported by the Provider Report incorporated into the Transaction Documents. Tenant is not the qualified provider for design, engineering, procurement, or installation of the Energy System; however, during the Term of this Agreement, Tenant shall operate and maintain the Energy System in accordance with the Facility Lease Agreement and shall provide the Power Payment Adjustment remedy in Section 13 if the Energy System fails to achieve the guaranteed production threshold stated therein, subject to the assumptions, exclusions, measurement methodology, and remedies stated in the Provider Report and the Transaction Documents.
15. **Installation Cost Variance.** If a Change Order or Optional Services are required under the Purchase Agreement and the full installation cost is not covered by the Grant and federal elective pay proceeds, the Customer may, at its election, either pay any difference with Customer funds, or Tenant will pay for the difference and recover the same by amending this Agreement to modify the Power Payment term or amounts as required to recover any increase in the Installation Cost plus the time value of money.
16. **Miscellaneous.**
 - a. **Relationship of the Parties.** No provision of this Agreement may be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.
 - b. **Entire Agreement / Recitals Integral.** This Agreement and all schedules, exhibits and attachments hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter. The Recitals set forth above in this Agreement are and for all purposes shall be interpreted as being an integral part of this Agreement and are incorporated by reference.
 - c. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
 - d. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
 - e. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
 - f. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
 - g. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, acts of government, terrorism, delayed governmental process, international tariffs, inability to timely obtain a permit, inability to timely receive interconnection approval or response from Utility, inability to obtain sufficient qualified labor, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
 - h. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws principles. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in St Louis County, Minnesota.
 - i. **Severability.** The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not

affect the validity and enforceability of the remainder of this Agreement.

- j. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, nor any portion thereof, without the prior written consent of the other Party. Any other attempted assignment or transfer without prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (i) reasonable prior notice of any such assignment shall be given to the other Party; and (ii) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.
- k. **UCC Terms.** All terms in this Agreement that are not defined herein and are defined in the Minnesota Uniform Commercial Code, as amended from time to time ("**UCC**") shall have the meanings set forth in the UCC and such meanings will automatically change at the time that any amendment to the UCC, which changes such meanings, becomes effective.
- l. **Definitions.** Any capitalized term not defined herein shall have the meaning given to it in the Purchase Agreement, unless otherwise stated.
- m. **Marketing and Promotion.** Tenant shall not use Customer's name, image or likeness in connection with advertising and promoting the Project or the Energy System without Customer's approval, which shall not be unreasonably withheld.
- n. **Utility Exclusivity / Subordination to Utility Agreements.** All electric power generated from the Energy System will be owned by Customer and used on-Site by Customer or exported to the Utility. Tenant makes no claims to Renewable Energy Certificates associated with the Project. No portion of this Agreement is intended to conflict with any Utility Agreements to which Seller, Customer or Tenant are a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Agreements, the terms and conditions of the Utility Agreements shall control. Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent Utility, from fully enforcing the terms and conditions of the Utility Agreements.

- o. **Services Contract.** This Agreement purports to be a "**service contract**" within the meaning of Section 7701(e) of the Code; further, each party hereto agrees to report payments made and received hereunder in a manner consistent with this Agreement being a "service contract" for all income tax purposes.

The Parties hereto have caused this Agreement to be duly signed in their respective names as of the Effective Date.

Tenant
Ideal Energies Solar Leasing, LLC

By: _____
Richard Ragatz, its Vice President

Dated: _____

Customer:
Independent School District No. 698 - Floodwood School District

By: _____
Susan Hoeft, its Superintendent

Dated: _____

SCHEDULE A
Payment Schedule

347.55 kW DC Solar Array
DOC - SFS

| Year | Estimated Production (kWh/year) | Payment (\$/year) | Payment (\$/month) |
|--------------|--|------------------------------|-------------------------------|
| 1 | 390,994 | \$3,476.00 | \$ 192.08 |
| 2 | 383,174 | \$3,476.00 | \$ 192.08 |
| 3 | 382,024 | \$3,476.00 | \$ 192.08 |
| 4 | 380,878 | \$3,476.00 | \$ 192.08 |
| 5 | 379,735 | \$3,476.00 | \$ 192.08 |
| TOTAL | | \$11,525.00 | |