



1.

City of Bellevue, Application for Solar Lease

Introduction

The City of Bellevue (“City”) is accepting applications from knowledgeable and experienced individuals and organizations to administer the financing, installation and operation of a community-owned photovoltaic solar panel array on the roof of the Bellevue Service Center, a City-owned property.

This “Community Solar Project” is intended to qualify for:

- investment cost recovery financial incentives for “Community Solar Projects” under Washington state law under the April 2010 enactment of SB 6658 (referred to in this Application for Solar Lease as the “SB 6658”),
- net metering, as administered by the existing electrical power utility, PSE;
- waiver of state sales tax for the renewable energy equipment and installation, and federal income tax incentives such as the 30% renewable energy tax credit (and any other applicable features of the Internal Revenue Code) for the community owners of the solar energy installation.

An offer of this lease by the City does not guarantee eligibility for any of these incentives; the Administrator/Company is solely responsible for applying for and managing cost recovery incentives on behalf of community owners.

Background

PSE is the sole provider of all electrical power in within City limits.

With Council support and leadership, the City has been proactive in environmental stewardship, energy conservation and efficiency, and clean technology innovation.

Currently there is one viable site for a community solar project(s). The Bellevue Service Center is a 140,724 sq ft operations center located at 2901 115th Ave NE. The tilt-up concrete building was constructed in 1979. The torch down roof was re-coated in 2006 and has some roof top HVAC units. An attached structural summary provides a description of the roof structure (Attachment A).

Objectives

The purposes of this project are:

- To reduce the carbon footprint and environmental impact of the regional electricity grid by adding clean renewable solar energy to the power generation portfolio;

- To install solar panels on public property with no cost and little risk to the City during the initial term of the lease;
- To foster the economic development of a local clean tech sector;
- To train a local workforce in renewable energy technologies;
- To educate local community members and businesses and enable them to actively assist in reducing our carbon footprint; and
- To create a community ‘conversation piece’ around strategies for reducing carbon emissions.

Offering of Solar Leases

Qualified applicants will be selected by the City to serve as either the “Administrator” of the Community Solar Project (if organized under Section 1(2)(a)(i) of SB 6658) or as the organizer of the “Company” managing the Community Solar Project (if organized under Section 1(2)(a)(iii) of SB 6658) at designated city property.

The proposed leasable space is available at (see Attachment A):

- Bellevue Service Center (2 available locations on roof)

The City intends to select the applications that best meets the objectives of the project for each leasable site, and intends to award leasable sites to more than one “Administrator” or “Company” (if there are more than one qualified organization). The lessees will be charged rent owed in order to cover City administrative and access costs. All other costs and risks for the project will be the responsibility of the “Administrator” or “Company.”

Rental costs are as follows:

- A one-time fee of \$2,000 for the City’s negotiation of the initial solar lease.
- \$2,000 rent per year until the termination of the community solar lease in 2020. Rent for any partial year at the beginning or end of the term of this Lease shall be prorated. The City and Company may agree that Company may credit the value of solar generated electricity to its Rent.
- City retains the right to identify additional charges/rent in a proportional amount, for any additional requests or costs.

The City will not purchase power under this lease agreement. The “Administrator” or “Company” may sell the power (and Renewable Energy Credits) to PSE, or donate the power to the City in lieu of fee and rent.

The City expects the project to be administered by the “Administrator” or “Company” in a professional and accountable manner, and in compliance with applicable public records rules and any applicable federal and state securities laws (including any applicable exemptions).

How to Apply for a Solar Lease

Please address the following requested information, issues and questions (to the extent that answers are currently known or available). Answers may be delivered in summary form, with the expectation that more complete responses may be provided during the follow-up interview process.

Responses must be less than 10 pages, double-sided. Leasable space is available until filled. **One hard copy** is to be delivered to:

City of Bellevue, Attn: Emma Johnson
PO Box 90012
Bellevue WA 98009-9012

1. Name of respondent organization; type of legal entity; IRS status; name of contact person and his or her full contact information. Include the physical location of the main office and branches.
2. Proposed size of solar array.
3. Name of legal counsel firm(s) that have agreed to advise and assist the respondent. If none is yet appointed, please state any existing plans for engagement of legal counsel, e.g. for legal advice on the organization of the “Administrator” or “Company” entity, and for federal and state securities law compliance.
4. Name and physical location of any solar equipment manufacturer, installer, advisor, or service provider which is expected to work with the lessee on this project.
5. Describe the benefits your solar project will provide to Bellevue residents, businesses, and the City.
6. Do you propose to educate and engage the community in the project? What role will the City play in helping to promote your project’s benefits?
7. What is the service life expectancy of your proposed solar panels? Of your proposed inverter?
8. What exit strategy will you propose in 2020? Are you willing to negotiate?
9. What is your exit strategy should the financial incentives from Washington decrease or end before 2020?
10. Summarize the proposed timeline and work plan for the project. Include time to negotiate agreements with City, four weeks for City Council approval, adequate time to obtain permits, time to engage community participants in the financing, and designing and installing required equipment and systems.

11. Describe the construction phase and how it will be accomplished. Be specific in terms of any welding, power, digging, etc., that may be required.
12. Is the City's Community Solar Lease Agreement (attached) acceptable to you? What, if any, are the points you propose to negotiate?
13. Who will be the emergency contact and what is your emergency plan? What is the worst case scenario and how would you manage that situation if it did occur?
14. What type of maintenance will be scheduled and at what frequency?
15. Do you currently have committed community owners/participants for the community solar project?
16. Describe your business model and how your particular business model is beneficial to the City (residents, businesses, and government)?
17. Attach at least two references and one example solar project you have been directly involved with.

Selection Process

Prior to your application submittal, you may direct written questions to Emma Johnson, Resource Conservation Manager at ejohnson@bellevuewa.gov or to City of Bellevue, Attn: Emma Johnson, PO Box 90012, Bellevue WA 98009-9012.

After have applications have been submitted, the City may arrange an interview and site visit at the Bellevue Service Center.

Once the City has selected qualified community solar organizations, the City will provide a letter of intent for a period of time (to be negotiated with the respondent), in which the City will cooperate exclusively with that respondent in the review and development of a final project proposal for that site.

The City Council will provide final review (and approval) for the long-term lease.

Proposal Evaluation

Applications will be evaluated based on the following criteria (50 points total):

1. Benefits to Bellevue residents, businesses, environment, and economy. (10 points)
2. Expertise and overall experience with solar systems. (7 points)
3. Safeguards to ensuring that the City does not experience financial liability, exposure or loss. (7 points)
4. Local involvement of residents and businesses. (6 points)

5. Community engagement expertise. *(6 points)*
6. Value of project to the City. *(6 points)*
7. Likelihood of expeditious implementation. *(5 points)*
8. Willingness and capability to negotiate an acceptable Community Solar Lease with the City. *(3 points)*

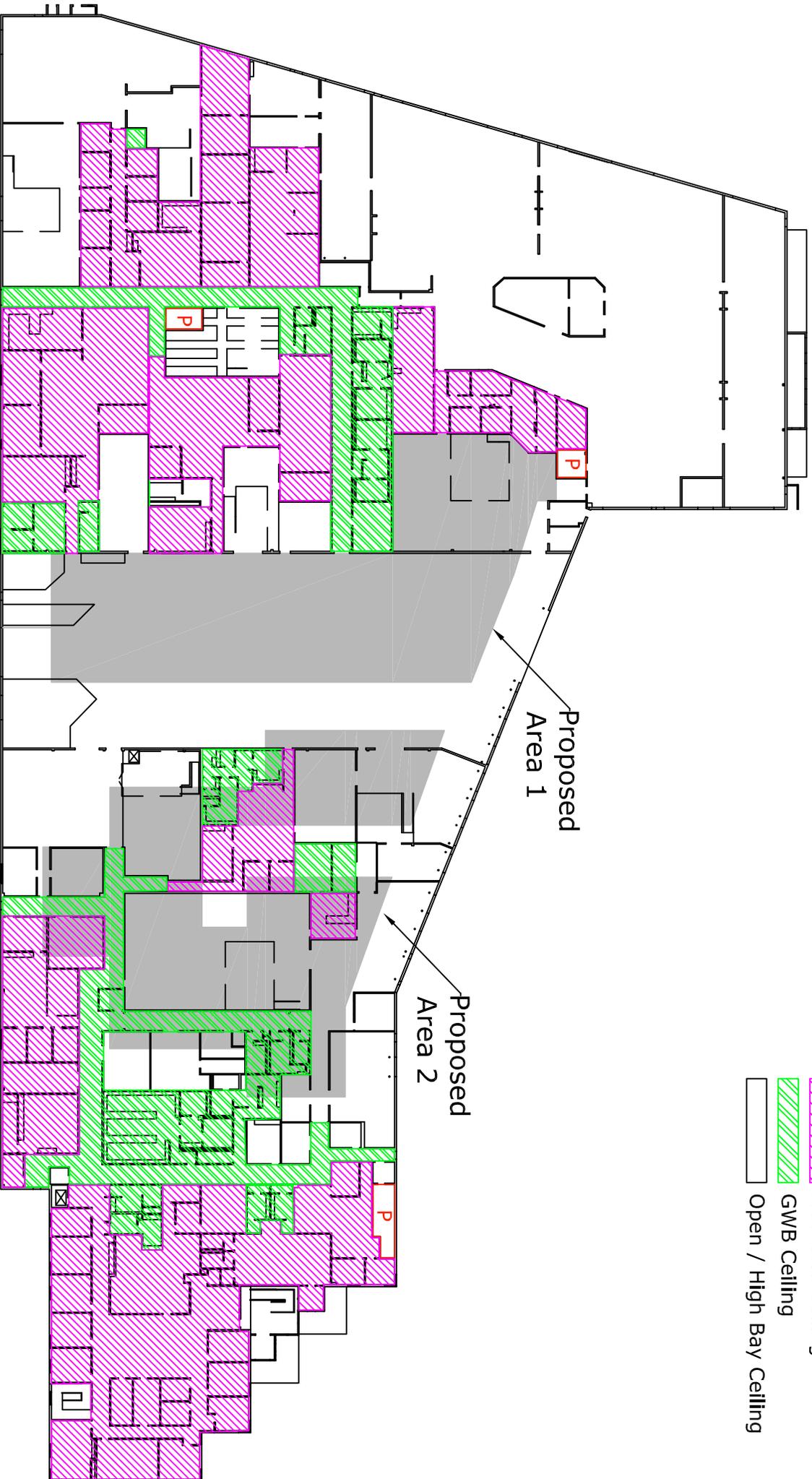
The City reserves the right to reject all lease proposals or to request and obtain, from one or more of the respondents, supplementary information as may be necessary.

Other Requirements

The company must be willing to sign a Community Solar Lease form (see Attachment B), provide a performance bond, and must be able to meet the Insurance and Hold Harmless requirements set by the City (in Attachment B).

ATTACHMENT A:
Proposed Site Area and Structural Review

-  Project Location
-  Electrical Panel
-  ACT Grid Ceiling
-  GWB Ceiling
-  Open / High Bay Ceiling



BSC - Roof / Ceiling Map

March 9, 2011

Sent via Email

Emma Johnson
Resource Conservation Manager
City of Bellevue
P.O. Box 90112
Bellevue, Washington 98009-9012

Re: Bellevue Service Center - Feasibility of PV Panels with Ballast

Dear Ms. Johnson:

The City of Bellevue retained MLA Engineering (MLA) to evaluate the feasibility of adding PV Panels to the roof of the Bellevue Service Center, located at 2901 - 115th Ave NE, Bellevue, WA 98004. This report provides MLA's scope of work, findings and recommendations.

Scope of Work

MLA's scope of work was to review existing drawings, determine additional roof dead load capacity, provide a panel layout that can be supported by the existing roof framing, and submit a report of our findings and recommendations. On-site structural evaluations are not part of MLA's scope of work for this phase of the project.

Drawing Review/Wind Criteria

MLA reviewed the existing drawings to determine what loading currently is being applied to the roof structure. MLA also determined the wind criteria to be: 85mph, Exposure B, $I_w=1.0$.

Findings

MLA Engineering's findings are based on existing drawings. In our evaluation of the drawings MLA found that the building roof appears to be designed for an Allowable Dead Load (DL) of 30psf and an Allowable Snow Load (SL) of 25 psf. The approximate weights of existing roof are as follows:

Area	Applied DL	Additional Allowable DL Capacity
Non-Drop Ceiling Areas:	14.7 psf	≈15 psf
Drop Ceiling Areas:	19.7 psf	≈10 psf

The weight of the ballast required is approximately 18.9 psf over the area of the PV panel (per IBC load combinations).

Recommendations

MLA recommends that PV panel/frames be spaced out so that their weight does not exceed the Additional Allowable DL Capacity as shown in the table above. In the case of the Non-Drop Ceiling areas the panels rows would need to have spaces of approximately 50% of the width of the panel, as shown in SK-01. In the case of the Drop Ceiling areas the panel rows would need to have spaces of approximately 100% of the width of the panel, as shown in SK-02.

We are available to meet with you at your convenience to review the findings and recommendations contained in this report.

Thank you for the opportunity to provide this service to the City of Bellevue.

Sincerely,

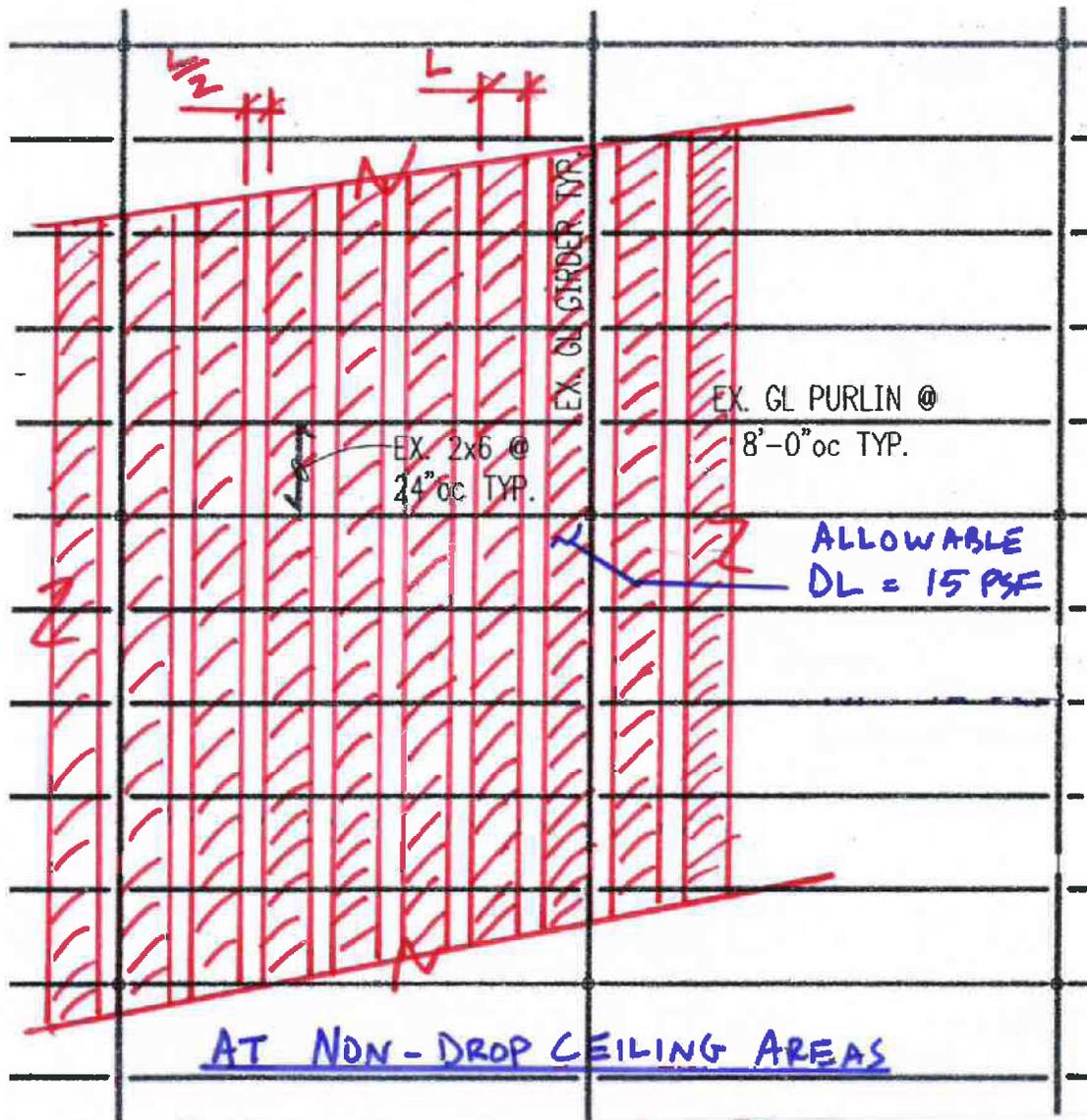


Michael S. Leonard, P.E., S.E.
Principal



3-11-2011

Attachments: SK-01, SK-02



PARTIAL ROOF FRAMING PLAN ↗ N

NOTES:

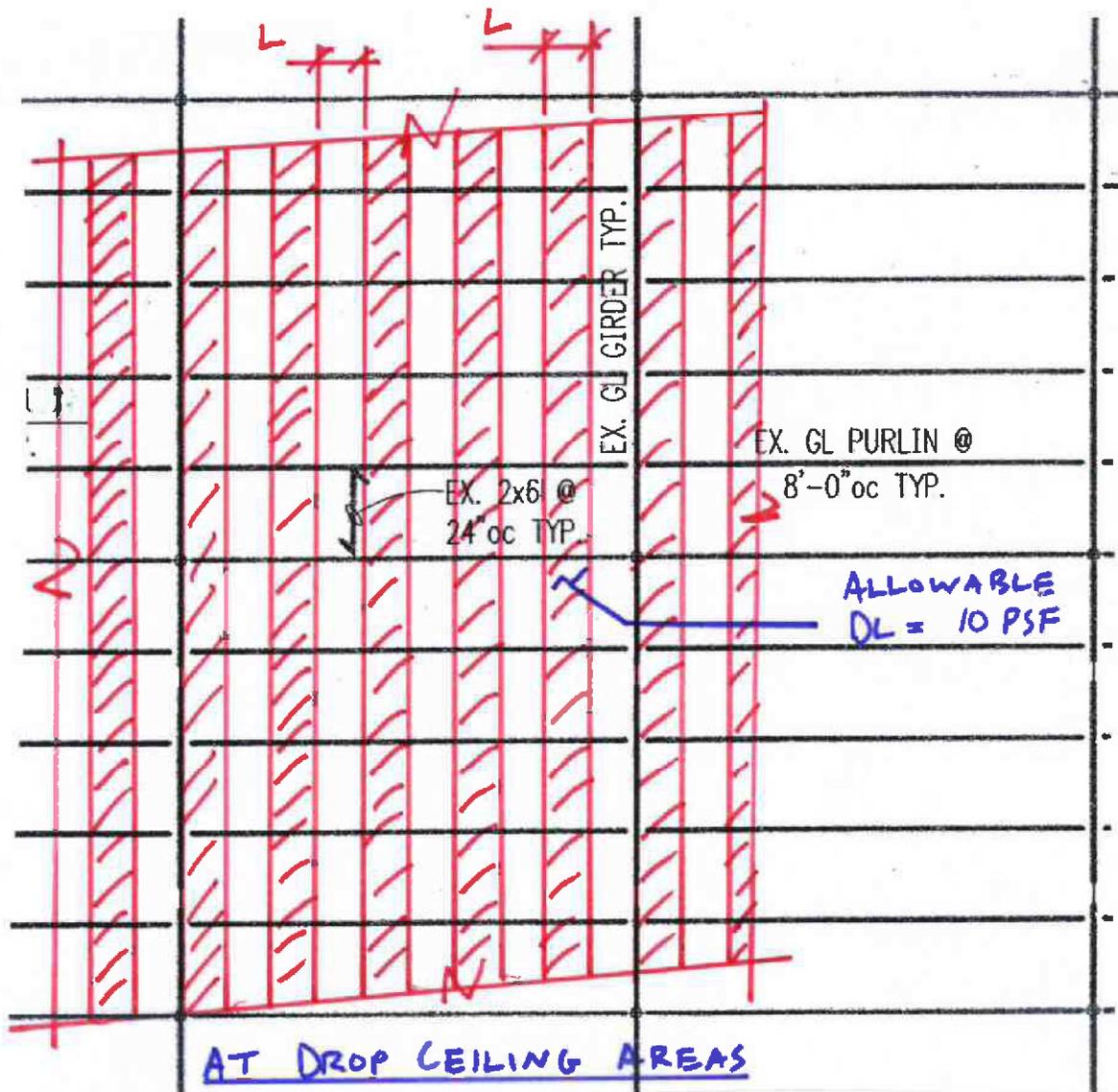
- 1) THIS OPTION ASSUMES A BALLASTED SYSTEM FOR SECURING PV PANELS. PANEL SPACING MAY BE DECREASED IF PV FRAMES ARE ATTACHED DIRECTLY TO THE ROOF STRUCTURE
- 2) L=PV PANEL WIDTH
- 3) DO NOT LOCATE PANELS OVER HANGING MECHANICAL EQUIPMENT WEIGHING MORE THAN 50LB
- 4) LOCATE PANELS MINIMUM 20FT FROM ROOF EDGES
- 5) TOTAL ALLOWABLE DEAD LOAD DUE TO PV PANELS MUST INCLUDE ALL FRAMES, PANELS, CONDUIT, ETC.

MLA
Engineering, pllc

1424 Fourth Ave, Suite 815
Seattle, Washington 98101
206.264.2727
206.264.4835

DESCRIPTION	PV PANEL SPACING AT NON-DROP CEILING LOCATIONS	
PROJECT TITLE	BELLEVUE SERVICE CENTER	PROJECT NO. 2011.104.2
REFERENCE		DATE 3/8/2011
RFI #		SKETCH NUMBER
DRAWN BY	JP	REVISION

SK-01



PARTIAL ROOF FRAMING PLAN ↖ N

NOTES:

- 1) THIS OPTION ASSUMES A BALLASTED SYSTEM FOR SECURING PV PANELS. PANEL SPACING MAY BE DECREASED IF PV FRAMES ARE ATTACHED DIRECTLY TO THE ROOF STRUCTURE
- 2) L=PV PANEL WIDTH
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- 5) TOTAL ALLOWABLE DEAD LOAD DUE TO PV PANELS MUST INCLUDE ALL FRAMES, PANELS, CONDUIT, ETC.

MLA
Engineering, pllc

1424 Fourth Ave, Suite 815
Seattle, Washington 98101
206.264.2727
206.264.4835

DESCRIPTION	PV PANEL SPACING AT DROP CEILING LOCATIONS	
PROJECT TITLE	BELLEVUE SERVICE CENTER	PROJECT NO. 2011.104.2
REFERENCE		DATE 3/8/2011
RFI #		SKETCH NUMBER
DRAWN BY JP	REVISION	SK-02

ATTACHMENT B:
Community Solar Lease

**COMMUNITY SOLAR FACILITIES
SITE LEASE AGREEMENT**

This COMMUNITY SOLAR FACILITIES SITE LEASE AGREEMENT hereinafter (“Lease”) is entered into by and between the City of Bellevue, a municipal corporation of the state of Washington, hereinafter referred to as (the “City”), and BSC Solar LLC 1, an LLC created under the laws of Washington state, hereinafter referred to as (the “Company”).

RECITALS

WHEREAS, the City supports the development of local clean-tech industries; and

WHEREAS, the City has a goal to reduce community-wide greenhouse gas emissions; and

WHEREAS, one strategy to achieve reduced greenhouse gas emissions is to support the development of local sources of solar energy; and

WHEREAS, the Washington State legislature encourages the development of community solar projects placed on the property of a cooperating local government entity; and

WHEREAS, the primary responsibility of the City is to provide municipal services to its citizens and businesses and the leasing of City facilities to community solar companies should not interfere with the delivery of those services; and

WHEREAS, City-owned property shall be leased at a rate to allow community solar projects to be financially viable and also cover the costs of the City’s involvement ; and

WHEREAS, the City Department(s) may have established policies as pertains to this Lease as “Special Conditions/Agreements”, described in Exhibit “D”, attached hereto and incorporated herein, and

WHEREAS, the City owns certain improved real property, described in Exhibit “A”, attached hereto and incorporated herein (the “Property”), and

WHEREAS, the Company desires to operate a community solar facility and desires to lease from the City, and the City is willing to lease that portion of the Property which is marked as the “Equipment Facility Area”, described in Exhibit “A”, attached hereto and incorporated herein;

NOW THEREFORE, for valuable consideration the sufficiency of which is hereby acknowledged and in consideration of the terms, conditions, covenants and performances contained herein, it is mutually agreed as follows.

TERMS OF LEASE

1. City Represents

- A. it owns the Property and the Equipment Facility Area and all appurtenances thereto not owned by other lessees,
- B. it is fully authorized to enter into this Lease, and
- C. the individual executing this Lease is authorized to bind the City to the provisions hereof, contingent upon City Council review and consideration.

2. Areas Leased / Equipment Facility Area

- A. The City hereby leases to Company at Company's sole responsibility and expense, a portion of the Property, identified herein as the "Equipment Facility Area", which includes interconnection facilities and other ancillary devices, as defined and described in Exhibit "A" attached hereto and incorporated herein by reference; together with non-exclusive access rights to and from the Equipment Facility Area through the Property sufficient for Company's use of the Equipment Facility Area as outlined in Section 11 herein, and as described in Exhibit "B" attached hereto and incorporated herein by reference. The location of Company's access rights shall be approved by the appropriate City Department, which approval shall not be unreasonably withheld.
- B. Company has examined the Property and accepts the Equipment Facility Area and surrounding Property AS IS, in its present condition, as part of the consideration of this Lease.

3. Permitted Use

The Equipment Facility Area may be used by Company only for the installation, operation, maintenance and removal, at Company's sole responsibility and expense, of Company's unstaffed community solar site equipment, hereinafter referred to as "Site Equipment". The Site Equipment on the Property shall comprise only those items described on Exhibit "A". The definition of what is included as Company's Site Equipment, may be modified by written agreement of Company and the City. Company shall not use the Property for any other purpose whatsoever without the prior written consent of the City, which consent may be withheld for any reason. The City has no ownership interest in Company's Site Equipment, nor is the City a participant in, nor does it have any claim to, Company's production of "green power" and the associated Renewable Energy Credits to which Company may be entitled. Any modification to this understanding must be by written agreement of Company and the City.

4. Effective Date

All references in this Lease to the "Effective Date", "Acceptance Date", "Commencement Date", "the date hereof", or similar references shall refer to the first day of the month following the date the Lease is executed by both parties.

5. Term:

The term of this Lease shall commence as outlined in Section 4 above, and shall expire June 30, 2020 (“Initial Term”); provided that this Lease may be extended for one additional term of Five (5) years (“Renewal Term”). Such extension shall be automatic unless either party provides written notice to the other, at least six (6) months prior to the expiration of the Initial Term, that it does not intend to renew the Lease. The Initial Term and the Renewal Term shall collectively be referred to as the “Term”.

6. Initial Staff Time, Initial Rent; Subsequent Adjustments; Charges for Late Payment

- A. Company shall pay a fee in the amount of Two Thousand and No/100 Dollars (\$2,000.00) for the City’s consideration of the initial lease, due by the sixth month of the first year of the lease agreement. Company may incur additional fees if Company requests significant revisions to the Equipment Facility Area and/or additional area within the Property.
- B. Commencing on the Effective Date, and on or before the first day of each calendar year during the entire term of this Lease, Company shall pay rent ("Rent") to the City, in such amount as defined in Section 6C below. Washington Leasehold Excise Tax, if applicable, is due within 30 days of invoice from City. Rent shall be delivered or mailed to the Bellevue City Treasurer: ATTN Facilities located at: PO Box 90012, Bellevue, WA 98009-9012.
- C. Rent payable by Company, shall be the value of Two Thousand and No/100 Dollars (\$2,000.00) per year. Rent for any partial year at the beginning or end of the term of this Lease shall be prorated. The City and Company may agree that Company may credit the value of solar generated electricity to its Rent (see Exhibit G). Such credit will be deemed as an alternative form of compensation. Should Company and the City agree to this form of compensation, the City shall enter into a Net Metering Agreement with the Utility, in cooperation with Company. In addition, Company may choose to sell the generated electricity to a regulated utility at its expense. Any such Power Purchase Agreement is not subject to the terms of this lease.
- D. Receipt of any Rent by the City, with knowledge of any breach of this Lease by Company, or of any default on the part of Company in the observance or performance of any of the conditions or covenants of this Lease shall not be deemed a waiver of any provision of this Lease.
- E. The Company shall upgrade any solar equipment (such as inverters) necessary for the continued operation of the solar array system, at its sole expense, if this lease extends into the Renewal Term.
- F. If any sums payable to City under this Lease are not received by the City on or before the due date schedule in Exhibit G, Company agrees to pay a late fee of Fifty and No/100 Dollars (\$50.00) which shall be due and payable with the Rent payment. Where a check is returned to the City by a bank or other financial institution with the indication that the check cannot be honored, there shall be a Twenty-five and No/100 Dollars (\$25.00) fee assessed to Company. City and Company agree that such charges represent a fair and

reasonable estimate of the costs incurred by City by reason of late payments and uncollectible checks, and the failure by Company to pay any such charges by no later than thirty (30) days after Company's receipt of written demand therefor by City shall be a default under this Lease. City's acceptance of less than the full amount of any payment due from Company shall not be deemed an accord and satisfaction, waiver, or compromise of such payment unless specifically agreed to in writing by City.

7. Taxes, Assessments & Utilities

Company agrees to pay all taxes and assessments which are the result of Company's use of the Property and/or which may hereafter become a lien on the interest of Company in accordance with RCW 79.44.010.

Company shall pay to the City leasehold excise tax, in addition to the base yearly rent as identified in Section 6C, for each year that Company makes lease payments to the City. On the Effective Date of this lease, the City shall invoice Company for an amount equal to the leasehold excise tax due under this Lease for the remainder of 2012. The Leasehold Excise Tax shall be due to the City within 30 days and must be paid via check to the City. Each subsequent year of the Lease Term, the City shall invoice Company for the amount equal to four quarters (1 year) of leasehold excise tax in advance for the coming year, which shall be due within 30 days via check to the City. In the last year of the Lease Term, Company shall pay to the City an amount equal to the leasehold excise tax due for the remaining quarters. Company shall be responsible for providing the City with evidence from the Department of Revenue of current or future exemption from leasehold excise tax, which evidence shall then be attached to this Agreement as Exhibit "C". Should the City collect from Company and pay to the Department of Revenue leasehold excise tax which is subsequently determined to be a duplicate payment or over-payment of tax by Company such as from early termination of the Lease, Company shall not have any claim against the City, but shall look directly to the Department of Revenue for reimbursement.

8. Permits

Prior to performing any construction work within the Equipment Facility Area, Company shall secure all necessary federal, state and local licenses, proof of agency and permits for the construction and operation of the community solar equipment and associated equipment (collectively referred to hereinafter as "Government Approvals") at its sole expense. The City hereby authorizes Company to make any and all applications and/or submissions necessary to obtain all Government Approvals from all applicable governmental and/or regulatory entities required for construction or operation of the Site Equipment within the Equipment Facility Area. Company has the obligation to meet all the requirements of permits, laws, and regulations that apply to this community solar project. To the extent authorized by law, the City agrees to cooperate with Company, at no cost to the City other than administrative costs, in the submission and/or processing of any such applications, and agrees to execute any documents applications, or other submissions required therefor. Such cooperation, however, does not guarantee approval of any permits or applications. All permits and applications are subject to independent review and approval by the appropriate governmental agencies and/or departments of the City of Bellevue. To the extent authorized by law, the City further agrees to take no

action that will inhibit, impede or delay Company's ability to obtain said Governmental Approvals.

9. Non-Interference to Property

- A. Company shall not use the Equipment Facility Area, Property, adjacent right of way, or access areas in any way which materially interferes with any use of the Property for City purposes. Similarly, outside the historic use of the Property, the City shall not use, nor shall the City permit its tenants, employees, or agents to use any portion of the Property in any way which materially interferes with the operations of Company authorized by this Lease. Such new interference shall be terminated immediately upon notice. Notwithstanding the foregoing nothing in this Section shall be construed to imply that Company is seeking or entitled to an exclusive lease with the City which will interfere with the historical uses of the Property by the City.
- B. The City agrees that it will require any other subsequent occupants outside of the historical uses of the Property to provide to Company and the City the same assurances against interference, and any subsequent occupants outside the historical uses of the Property shall have the obligation to eliminate any unreasonable interference with the operations of Company caused by the subsequent occupants.

10. Structural and Wind Assessment Study

Company, at Company's sole responsibility and at no cost to the City, shall perform all necessary tests, including but not limited to structural load and wind stress calculations to determine the suitability of the Equipment Facility Area for its intended use. The results of these studies shall be shared with the City at no cost to the City.

11. Equipment Facility Area Access & Security

Unless otherwise specified in Exhibit "D", Special Conditions, Company shall comply with the following:

- A. Company is hereby granted a non-exclusive license to enter the Property for maintenance, operation and/or repair of the Equipment Facility Area at the locations indicated on the access plan, described in Exhibit "D", or as further modified to provide an alternative access method to be approved by the City, which approval may be withheld for any reason.
- B. Company shall use its best efforts to perform such repairs during normal business hours in a manner that will not interfere with the City's primary use of the Property. The City will require Company to give forty-eight (48) hours advanced notice to the City before entering the Property to perform normal/regular maintenance of the Site Equipment; provided that Company shall be permitted access to the Site Equipment without being required to give 48 hours notice in the event of an emergency, subject to the express requirements that (i) such emergency entry not unreasonably disrupt any scheduled City use of the Property, and (ii) Company shall submit to the City no later than fifteen (15) days after the emergency a written report describing the emergency and the reason(s)

why immediate access to the Property was required. In the event of (i) a public emergency, such as, but not limited to, road failure, evacuation, natural disasters, hazardous substance spills, fatal accidents, and/or (ii) during public use at the Property, Company's access may, at the reasonable discretion of the City, be temporarily limited or restricted; provided, that any temporary limitation or restriction in Company's access shall be restored as soon as the circumstances shall allow, as determined by the City, in its sole discretion.

- C. Company shall provide an emergency disconnect switch on the exterior of the building which will be the sole means of immediate response to after-hours emergencies. The City must be present to provide access to interior spaces. Any employees of Company with access must pass a criminal background check. Company shall require any such assigned employees to complete such a check prior to entering the facilities.
- D. Outside the City's regular business hours, Company shall be required to contact the on-call staff at 425.452.4610 to make arrangements for City staff to provide access. Company shall be responsible for any reasonable costs incurred for the on-call time to respond to the after-hours access.
- D. For the security of the Property, at the City's sole discretion, Company may be responsible to provide separate security fencing and gate to the Equipment Facility Area. Company will provide City's designated staff with two (2) keys for emergency access, at no cost to the City.

12. Utilities & Services

Unless otherwise specified in Exhibit "D", Special Conditions, Company shall comply with the following:

- A. Anytime, prior to the execution of the Lease and with twenty-four (24) hours written notice to the City, Company or its surveyor or contractor may, at Company's sole expense, enter upon and survey the Equipment Facility Area and City's abutting and surrounding property to take measurements, make calculations, review any and all existing easements, property restrictions, if any, and note all other information relevant to Company's assessment of the suitability of the Equipment Facility Area for its purposes. Said access shall be within normal business hours defined as Monday through Friday, 8:00 am to 4:00 pm (except City of Bellevue-recognized holidays).
- B. City will not furnish Company with electrical service for the Equipment Facility Area, except for purposes of installation of the community solar equipment or as identified under Special Conditions herein. Company may install, at its sole cost and expense, an electrical meter and run such utility lines as may be reasonably necessary to provide electrical service from the Equipment Facility Area, in a location acceptable to the City, as provided in Section 2 of this Lease and as described in Exhibit "A". The provision of such electrical lines and service shall not materially interfere with City's normal use of the Property. City will not encumber the Property for the benefit of the Company to provide these services.

- C. City shall not be liable for any damages to any person or property, nor shall Company be relieved from any of its obligations under this Lease , as a direct or indirect result of temporary interruption in the electrical power provided to the Equipment Facility Area where such interruption is caused by acts of nature or other acts beyond City control. Under no circumstances shall City be liable for indirect, special, incidental, or consequential damages resulting from such an interruption.
- D. City shall not be responsible for providing Company with any information relating to encumbrances on the Property, including, but not limited to set-backs, utilities or easements of any nature.
- E. Company shall pay the entire cost for any devices, service fees, and application fees required by the Utility to enter into a Net Metering Agreement with the Utility, such as a dedicated service transformer, interconnection devices, or separate meters.

13. Compliance with Laws; Hazardous Materials

- A. Company shall not use the Equipment Facility Area for any illegal purposes nor violate any applicable law, nor cause or permit any nuisance, nor trespass, nor do any act on the Property which would increase the rate of insurance thereon; nor void roof warranty; nor deface, damage or overload the structural components of any structures on the Property.
- B. Company is authorized to use and store equipment and materials specified in Exhibit A– Site Equipment, which shall be in full compliance with any applicable environmental, health or safety law, regulation, ruling, order, or ordinance. Company shall not cause or permit any Hazardous Materials to be brought upon, stored, used, released or disposed of on the Property which would cause the Property to be in violation of any applicable environmental laws or which would require remediation or correction to the Property.

“Hazardous Materials” means any dangerous, toxic or harmful substance, material or waste that is or becomes regulated by any local government authority, the State of Washington, or the United States Government due to its potential harm to the health, safety or welfare of humans or the environment. Company shall be responsible for all spills or other releases of any Hazardous Materials that may occur on the Property arising out of Company’s activities or caused by the Company, its employees, contractors, subcontractors, or invitees; and, at Company’s cost, shall promptly conduct any investigation and remediation as required by any applicable environmental laws, at Company’s sole cost.

Company shall indemnify, defend and hold harmless the City from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including without limitation, diminution in the value of the Property, damages for loss or restriction of use of the Property, and sums paid in settlement of claims, attorneys’ fees, consultant and expert fees, investigation, clean-up, remediation or other costs incurred or suffered by the City, arising out of any use, storage, release or disposal of Hazardous Materials by Company, its employees, contractors, subcontractors, or invitees.

14. Advertising/Signs

- A. Company shall not place any advertising in, on or about the Property.
- B. Company shall post and maintain on the Equipment Facility Area or appurtenant thereto a sign no larger than eighteen inch (18”) square giving an emergency telephone number. No other Company signs are permitted on or about the Property, unless required by applicable law, rule or regulation.
- C. Publicity or press releases about the community solar project shall be subject to a separate agreement between City and Company.

15. Maintenance/Stewardship

Unless otherwise specified in Exhibit “D”, Special Conditions, Company shall comply with the following:

- A. Company shall, at its own expense and at all times, keep the Equipment Facility Area neat and clean and in a sanitary condition and keep and use the Equipment Facility Area in accordance with all applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Company shall permit or cause no waste, damage or injury to the Equipment Facility Area. Company shall make such repairs as are necessary to maintain the Equipment Facility Area in as good a condition as exists on the date construction of the Equipment Facility Area is completed, reasonable wear and tear excepted.
- B. City shall have no obligation to maintain or safeguard the Equipment Facility Area, except that City shall not intentionally permit access to the Equipment Facility Area to any third party without the prior approval of Company, except as otherwise provided herein.
- C. Company shall maintain any landscape installed by Company pursuant to its permits for construction of the Site Equipment, and as may be called out in Exhibit D – Special Conditions, in a manner and frequency consistent with the balance of the Property. Such tasks and frequencies shall be determined by the appropriate City Department following final design and landscape plan approval as required by any such permits.

16. Repairs by City; Increased Maintenance Costs

- A. City shall have no duty to Company to make any repairs or improvements to the Equipment Facility Area except those repairs necessary for the safety of the Company. City or its representatives shall be provided access to the Equipment Facility Area upon no less than twenty-four (24) hours notice to Company.
- B. In the event that the presence of Company’s Site Equipment on the Property or within the Equipment Facility Area results in increased maintenance or repair costs to the City, Company shall, within thirty (30) days of receipt of written notification by the City, which shall include documentation evidencing such increase as the result of Company’s use, pay City for the incremental maintenance or repair costs incurred by the City.

17. Sub-leasing & Assignment by Company

- A. Company may not sub-lease or co-locate any other solar energy equipment within the Equipment Facility Area, without express written consent by City, which consent can be denied by the City for any reason.
- B. Assignment – Neither this Lease, nor any rights created by it, may be assigned, or transferred without written permission from the City. Any such assignment shall be in writing on a form approved by the City and shall include an assumption of this Lease by the assignee.
- C. The City’s consent to one assignment shall not waive the requirement of obtaining the City’s consent to any subsequent assignment.

18. Sub-leasing & Assignment by City

- A. Should the City sell, lease, transfer, or otherwise convey all or any part of the Property that is the subject of this Lease to any transferee other than Company, such transfer shall be subject to this Lease.
- B. The City retains the right to sublease or enter into any type of agreement for any portion of the Property for any reason, including but not limited to wireless facilities, if it will not unreasonably interfere with the Company’s use of the Equipment Facility Area.
- C. The City retains the right to enter into other leases with other community solar companies to co-locate within the Property, if it will not unreasonably interfere with Company’s use of the Equipment Facility Area.
- D. The City may transfer and assign its rights and obligations hereunder and no further liability or obligation shall thereafter accrue against the City hereunder, provided that the assignee or transferee assumes, in writing, all of the City’s obligations under this Lease, which shall remain in full force and effect.

19. Reservation of Right to Maintain & Grant Utility Franchises & Permits by City

- A. The City reserves the right for utility franchise and permit holders to enter upon the Property to maintain facilities and, for itself, to grant utility franchises and/or permits across the Property; provided that such franchises/permits do not materially interfere with Company’s authorized use of the Equipment Facility Area. Such installation will be accomplished in such a manner as to minimize any disruption to Company. The franchise/permit holder will be required to restore paving, grading and improvements damaged by the installation.
- B. Company will not disturb markers installed by a franchise/permit holder and will contact the franchise/permit holder prior to any excavation in order that the franchise/permit holder may locate the utility. It is Company’s responsibility to protect legally installed

underground utilities from damage caused by itself, its contractors, agents and invitees.

20. Improvements, Fixtures and Personal Property; Inspection by City

- A. Prior to installing any new equipment or other improvements in or on the Property after the Acceptance Date, other than merely maintaining the Site Equipment configuration existing on the Acceptance Date, and prior to making any material changes in such equipment or in the exterior appearance, size or design of any such equipment or the improvements of the Property thereafter during the term of this Lease, including any Renewal Period, Company shall submit to the City for approval such information regarding the proposed work as the City may request, including, without limitation, plans and specifications of the planned modifications and Company's critical path time schedule, for the City's written approval, which shall not be unreasonably withheld or delayed. Prior to commencing any construction activities on the Property, Company shall secure approval of a work schedule by the City. During any construction activities by Company at the Property, representatives of the City shall have the right to inspect any and all improvements and to require reasonable revisions to the Company's improvements to ensure that the respective uses of the Property and Equipment Facility Area are compatible.
- B. The City may from time-to-time go upon the Equipment Facility Area to inspect any work done by Company to insure compliance with the approved plans and specifications, to require reasonable revisions to ensure that the respective uses of the Property are compatible or otherwise. Further, this right shall not impose any obligation upon the City to make inspections to ascertain the safety of Company's improvements or the condition of the leased property.

21. Destruction of or Damage to the Property, Equipment Facility Area or any Site Structures

If the Property, Equipment Facility Area, or any structure on the Property is destroyed or damaged by fire or casualty so as to render the Property and/or Equipment Facility Area unfit for use by the Company, and if in the reasonable judgment of the City, the damage cannot be repaired within ninety (90) days following the date of such damage, either party may terminate this Lease upon written notice to the other party, whereupon this Lease shall terminate on the date of such notice and Company shall surrender the Equipment Facility Area to the City within ninety (90) days. Within fifteen (15) days after such damage, City shall notify Company as to whether the City expects to complete such repair within ninety (90) days. If the Equipment Facility Area is damaged by fire or casualty, but not rendered wholly unfit for use, Company may elect promptly to repair such damage. City shall not be liable to Company for any indirect or consequential damages including but not limited to inconvenience, annoyance, or loss of profits, nor for any expenses, or any other damage resulting from the repair of such damage, or from any repair, modification, arranging, or rearranging of any portion of the Property or Equipment Facility Area for the termination of this Lease as provided herein, unless the damage was caused by the gross negligence of the City or its agents or employees.

22. Condemnation

If all or any portion of the Property or the Equipment Facility Area is needed, taken, or condemned for any public purpose such that the Company cannot use its Site Equipment on the Equipment Facility Area, either party may terminate this Lease. All proceeds from any taking or condemnation of the Site or Equipment Facility Area shall belong and be paid to the City. Company shall have all rights to its Site Equipment and personal property, which shall not be included in any taking or condemnation.

23. Fixtures

The City agrees that, notwithstanding any provision of statutory or common law, the Site Equipment and any other Company improvements to the Equipment Facility Area, including but not limited to personal property, shall not become affixed to or a part of the Property or any structure on the Property, but shall remain the exclusive property of the Company. The City and its contractors, employees and agents, shall not be liable in any manner for, or on account of, any loss or damage sustained to any property of whatsoever kind stored, kept or maintained in or about the Equipment Facility Area, except such claims or losses that may be caused by such parties. Company agrees to save City and its contractors, employees and agents harmless on account of any claims or liens imposed upon the Site or Equipment Facility Area in connection with alterations or improvements thereto, conducted by Company or on behalf of Company.

24. Insurance:

- A. At Company's sole cost and expense, Company shall maintain throughout the term of this Lease Agreement insurance as set forth in Exhibit "E", attached hereto and incorporated herein.
- B. City may require increases in said coverages by written notice to Company, as the City deems reasonably necessary.

25. Hold Harmless

The City and its employees and agents shall not be liable for injury or damage to any persons or property, the Equipment Facility Area, or for any injury or damage to persons or property resulting from the installation, operation or maintenance of the Site Equipment on the Property.

Except for the negligence or willful misconduct of the City, its officers, employees and agents, the Company shall protect, defend, indemnify and save harmless the City, its officers, employees and agents from any and all costs, claims, judgments, demands, causes of action, liabilities, obligations, costs and expenses (including reasonable attorneys' fees) for deaths or injuries to persons or for loss or damage to property, to the extent caused by the use and occupancy of the Property by Company's officers, employees, agents, independent contractors, invitees and assigns. For the purpose of this Lease, the Company, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW. In the event the City incurs any judgment, award, and/or cost arising therefrom including reasonable

attorney's fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from the Company. All obligations under this indemnity shall survive and remain enforceable after the expiration or earlier termination of this Lease.

26. Obligation Bond or Line of Credit

Company shall furnish an obligation bond or bonds or Line of Credit, a copy of which is attached to this Lease as Exhibit "F", covering timely removal of equipment and restoration in the event of Company default. The bond or Line of Credit shall be sufficient to fully remove the system installed and restore the roof. Verifiable documentation of de-installation and restoration costs shall be provided by Company. If greater than 50 kW system, the bond or Line of Credit shall be Thirty Thousand and No/100 Dollars (\$30,000.00). If less than 50 kW, the bond or Line of Credit shall be Twenty Thousand and No/100 Dollars (\$20,000.00). If less than 20 kW, the bond or Line of Credit shall be Ten Thousand and No/100 Dollars (\$10,000.00). If Company adds solar panels during the term of the lease, Company shall increase the amount of the bond or Line of Credit proportionately. The bond or Line of Credit shall be in-force during the Term of this Lease. The bond or Line of Credit shall be in a form acceptable to the City. Said obligation bond or Line of Credit shall be issued to the City prior to the construction of Company facilities on the leased property. If the City so uses or applies any portion of the obligation bond or Line of Credit, Company shall, upon notice, restore the obligation bond or Line of Credit to the full amount above specified, and Company's failure to do so shall constitute a material breach of this Lease.

27. Nondiscrimination

Company, for itself, its successors, and assigns as a part of the consideration hereof, does hereby covenant and agree to comply with all civil rights and anti-discrimination requirements of federal, state or local laws applicable to the Property, including, without limitation, Chapter 49.60 RCW.

28. Performance by Company

If Company defaults in the performance or observation of any covenant or agreement contained in this Lease, the City, without notice if deemed by the City that an emergency exists, or if no emergency, with thirty (30) days notice, may direct Company to stop work and may itself perform or cause to be performed such covenant or agreement and may enter upon the Property for such purpose. Such an emergency shall include, but not be limited to, endangerment of life, the facility, or failure of Company to obtain in a timely manner any insurance. Company shall reimburse the City the entire cost and expense of such performance by the City within thirty (30) days of the date of the City's invoice. Any act or thing done by the City under the provisions of this paragraph shall not be construed as a waiver of any agreement or condition herein contained or the performance thereof.

29. Restoration of Site by Company and Removal of Equipment

Upon the expiration or early termination of this Lease, Company shall restore the Equipment Facility Area to equal to or better than its condition prior to Company's occupancy, including removal of Company's personal property/equipment, reasonable wear and tear and insured

casualty excepted. This work is to be done at Company's sole expense and to the reasonable satisfaction of the City.

30. Vacation of Leased Premises

Upon termination of this Lease, Company shall cease its operations on and/or use of the Equipment Facility Area. In the event Company fails to vacate the Equipment Facility Area within sixty (60) days of the date of termination, it shall be liable for any and all costs to the City arising from such failure.

31. Equipment Design

The City retains the ability to review and approve the design and type of materials used to construct the structure within the Equipment Facility Area to ensure it meets City Department needs within the Property, which approval shall not be unreasonably withheld.

32. Equipment Modification

If at any time during the term of this Lease, the City and Company agree that technology has changed such that modifications to, or replacement of, all or a portion of the Site Equipment would result in better energy production or less physically or aesthetically obtrusive equipment, the parties shall make every reasonable effort to cooperate to effectuate such modifications or replacement.

33. Review of Plans & Approval of Contractors

A. Company acknowledges the following:

1. The City retains authority for further review, modification, and approval of the Site Equipment throughout the City's Permit process.
2. A fully-executed agreement between the City and Company, and any required permits are required prior to construction or installation of the Site Equipment on the Property.
3. City Council review and consideration is required prior to the City entering into any lease agreement that exceeds one year.
4. The execution of this Lease by the City shall in no way constitute review and/or approval by other applicable jurisdictions and permitting authorities, and other City Departments, including but not limited to, Planning & Community Development/Permit Center, Transportation/Right of Way Use, which may, by authority, require separate applications and additional review and approval. .
5. If the City requires any Right-of-Way Agreement or Franchise Agreement from the Company, such agreement must be obtained from the City prior to the execution of this Lease by the City. Application for any City permits for placement of Site Equipment on the Property shall follow the full execution of the Lease .

- B. Prior to securing an agreement, Company shall submit plans and specifications of the planned installation for evaluation and approval to the City.
- C. Company expressly acknowledges and agrees that the City's rights under this Lease to review, comment on, disapprove and/or accept designs, plans specifications, work plans, construction, equipment, and/or installation, (i) exist solely for the benefit and protection of the City and its employees and agents, (ii) do not create or impose upon the City, and its employees and agents any standard or duty of care toward Company, all of which are hereby disclaimed, (iii) may not be relied upon by Company in determining whether Company has satisfied any and all applicable standards and requirements, and (iv) may not be asserted, nor may the exercise or failure to exercise any such rights by the City and its employees and agents be asserted against the City and its employees and agents by Company as a defense, legal or equitable, to Company's obligation to fulfill such standards and requirements, notwithstanding any acceptance of work by the City and its employees and agents.

34. Special Agreements/Conditions

Although the City's permit process may identify additional requirements, Exhibit "D", attached hereto and incorporated herein, identifies any known Special Agreements relating to the Department and/or Property being considered under this Lease. Such items may include, but are not limited to equipment design, access, security, utilities, maintenance, fencing, additional landscaping, insurance and bonds.

35. Modifications

This instrument contains all the agreements and conditions made between the parties hereto and may not be modified orally or in any manner other than by an agreement in writing signed by all parties thereto. No failure on the part of either party to enforce any covenant or provision herein contained, nor any waiver of any right hereunder, unless in writing signed by the waiving party, shall discharge or invalidate such covenant or provision or affect the right of either party to enforce the same in the event of any subsequent breach or default.

36. Broker's Fee

If Company is represented by a real estate broker or other agency in this transaction, Company shall be fully responsible for any fee due such broker, and shall hold the City and its employees and agents, harmless from any claims for a commission by such broker or agency.

37. Cooperation in Execution of Subsequent Documents

The City and Company agree to cooperate in executing any documents necessary to protect the rights of the parties granted by this Lease.

38. Default; City Remedies; Termination; Sale or Transfer

A. Default

The following occurrences shall each be deemed an Event of Default by Company:

1. **Failure to Pay.** Company fails to pay any sum, including Rent or Additional Rent, due under this Lease following 30 days written notice from City of the failure to pay.
2. **Abandonment.** Company's non-use of the Equipment Facility Area for at least 30 consecutive days without prior notice to City.
3. **Insolvency.** Immediately, upon written notice, if a receiver is appointed to take possession of Company's assets, Company makes a general assignment for the benefit of creditors, or Company becomes insolvent or takes a suffers action under the Bankruptcy Act. Waiver or acceptance by the City of any default of the terms of this Lease by Company shall not operate as a release of Company's responsibility for any prior or subsequent default.
4. **Other Defaults.** Company violates any agreement, term or covenant of this Lease.

B. City Remedies

City shall have the following remedies upon an Event of Default. City's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

1. **Termination of Lease.** City may terminate Company's interest under the Lease upon default, by providing written notice of termination from City to Company. In the event of default and termination of this Lease, City may elect to either take ownership of Company's solar equipment or use Company's Obligation bond or Line of Credit to remove Company's solar equipment and restore the roof.
2. **Re-entry.** City may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Equipment Facility Area or any part thereof, expel the Company and anyone claiming through or under the Company, and remove the personal property of either. City may relet the Equipment Facility Area or any part of the Equipment Facility Area, in City's or Company's name for the account of Company, for such period of time and at such other terms and conditions as City, in its discretion, may determine. City may collect and receive the rents for the Equipment Facility Area. Such action by City shall not be construed as an election by City to terminate this Lease, unless City has provided written notice of termination to Company.

C. Termination Without Default

1. **Termination.** In addition to the Remedies described above, City shall have the right to terminate this Lease upon 30 days written notice to Company, without penalty or further liability to City, in the event:
 - a. Property is destroyed or damaged so as to materially affect the effective use by Company of Company's equipment, subject to the City's determination (within 10 days) of whether the Property is restorable/rebuildable.

- b. The City reasonably determines that Company's exercise of its rights under this Lease unreasonably interferes with the City's use of the Property and/or the structures on the Property for the lawful municipal purposes for which the City owns and administers such structures/site.
 - c. The City reasonably determines that Company's exercise of its rights under this Lease unreasonably interferes with the use of the Property or structures thereon by a governmental agency with which the City has an agreement to provide services to the City, e.g. the Eastside Public Safety Communications Agency.
2. **No Further Obligation.** Upon termination under this Paragraph C (Termination without Default), neither party will owe any further obligation to the other party provided that Company is not in arrears in making its Rent or Leasehold Excise Tax payments; provided however that Company shall, at Company's sole cost, remove its Site Equipment and restore the site, and provided that, if the City terminates this Lease pursuant to this Paragraph C, the City shall, at Company's option, attempt to find alternative sites on other City property in order to allow Company to continue to operate its Site Equipment within the City.

D. Termination by Company

Company may terminate this Lease without further liability only as follows:

1. The approval or consent of any governmental authority or private Utility necessary for the construction and/or operation of the Site Equipment is withheld, revoked or terminated, or Company determines, in its sole discretion, that the cost of obtaining or retaining such approval is cost prohibitive; or
2. Company at any time determines in its sole discretion that it desires to discontinue use of the Equipment Facility Area for any reason whatsoever; provided, however, that if Company terminates this Lease pursuant to this Paragraph D.2., Company shall pay the City a sum equal to one year's Rent as the City's sole remedy for such termination.

E. Sale or Transfer of City Property

1. Within the first 6 years of the Initial Term, if the City sells or ceases to use the current location within which the Solar Energy System is in operation, in a way that prevents further operation of the Site Equipment, Company is entitled to seek a mutually agreeable substitute Equipment Facility Area to which the Site Equipment may be moved.
2. Substitution of Premises. Except to the extent this Agreement is assigned by the City or as excused by Force Majeure, within the first 6 years of the Initial Term, the City must provide Company a mutually agreeable substitute location on which Company may operate the Site Equipment. The substitute location must be (a) acceptable to Company in its reasonable discretion and (b) serviced by the same

Utility as the Premises and have similar solar characteristics as the Premises. The City will provide Company not fewer than one hundred and eighty days (180) days' written notice prior to the date on which it desires to effect such substitution.

3. Amendment to Agreement Upon Substitution of Premises. In connection with any location substitution within the first 6 years of the Initial Term, the City and Company shall amend this Agreement to identify the substitute location and set forth any modifications to the commercial terms of this Agreement. The term of any amendment will be equal to the remaining Term of this Agreement. The execution and delivery of any amendment will not be deemed a termination of this Agreement. The City will pay all costs associated with relocation of the Solar Energy Facility, including all costs and expenses incurred by or on behalf of Company in connection with: (i) removal of the Site Equipment from the Premises; (ii) installation and testing of the Site Equipment at the substitute location; (iii) applicable interconnection fees, permit fees, and expenses at the substitute location; (iv) other reasonable and documented out of pocket expenses of Company connected to preserving and re-filing any security interest in the Site Equipment held by Company's Lender.
4. Removal of Site Equipment Upon Substitution. If the City and Company have agreed upon a substitute location for the Site Equipment, Company will remove the Site Equipment from the Premises within one hundred and eighty (180) days after execution of the amendment to this Agreement at the City's cost. Company will restore the Premises to its original condition, except for Site Equipment weatherheads and ordinary wear and tear.

F. Notice of Default

Neither party shall be in default under this Lease until 30 days after receipt of written notice of default from the other; provided, however, where such default cannot reasonably be cured within 30 days, the defaulting party shall not be in default if it commences to cure such default within said 30-day period and diligently pursues cure to completion. Should either party breach any material term or covenant in this Lease and such breach shall continue uncured 30 days following notice thereof, the other party may terminate this Lease upon written notice.

39. Non-applicability of Relocation Benefits

Company acknowledges that the signing of this Lease does not entitle the Company to assistance under the Uniform Relocation and Real Property Acquisition Policy (Ch. 8.26 RCW).

40. Removal of Site Equipment upon Termination of Lease Agreement

Upon the expiration of the Term of this Lease or Renewal Term or upon the termination of this Lease pursuant to Section 38, Company shall remove all the Site Equipment from the Equipment Facility Area at Company's sole expense; provided that, at the City's sole option, the City may agree to purchase the Site Equipment from Company at a mutually-agreed upon price which reference to fair market value at the time of lease termination and comparable

transactions. If the parties fail to agree on a fair market value, an independent appraisal must be acquired at the expense of the Company whose assessment of fair market value will be the binding price.

41. Title VI Assurances

Company, its successors in interest, and assigns, as part of the consideration hereto, does hereby covenant and agree that (1) no person, on the grounds of race, color, sex, or national origin shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the use of the Equipment Facility Area, (2) that in the construction of any improvements within the Equipment Facility Area, and furnishing of services therein, no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Company shall use the Equipment Facility Area in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally assisted programs of the U.S. Department of Transportation ---Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That, in the event of breach of any of the above nondiscrimination covenants, the City shall have the right to terminate the Lease and to re-enter and repossess the Equipment Facility Area and the facilities therein, and hold the same as if said Lease had never been made or issued.

42. Titles

The titles to paragraphs or sections of this Lease are for convenience only, and shall have no effect on the construction or interpretation of any paragraph hereof.

43. Notices

Except as otherwise designated in this Lease, all notices hereunder must be writing and shall be deemed valid if sent by certified mail, return receipt requested, or overnight delivery, addressed as follows (or any other addresses as designated by like notice):

If to City: City of Bellevue
 Facilities Services Department (currently, Emma Johnson)
 PO Box 90012
 Bellevue, WA 98009-9012

With a copy to: Real Property Manager (currently, Max Jacobs)
 Civic Services Department
 City of Bellevue
 PO Box 90012
 Bellevue, WA 98009-9012

And If to Company:
 BSC Solar LLC 1 (currently,)

44. Complete Agreement

This Lease and any attached exhibits constitute the entire agreement between City and Company; no prior written or prior, contemporaneous or subsequent oral promises or representations shall be binding except that any subsequently adopted City policies and procedures for telecommunications/communications lease agreements and final permits shall be binding on the parties.

45. Amendments

Except as may otherwise be provided herein, this Lease shall not be amended or changed except by written instrument signed by both parties.

46. Executed in Counterparts

This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

47. Governed by Laws of State of Washington; Invalidity of Provisions

This Lease shall be governed by the laws of the State of Washington. If any term or provision of this Lease, or application thereof shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, but shall be valid and enforced to the fullest extent permitted by law.

48. Venue

Company agrees that the venue of any action or suit concerning this Lease shall be in the King County Superior Court, and all actions or suits thereon shall be brought therein.

49. Binding on Successors

This Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties, subject to the conditions set forth in Sections 17 and 18 herein.

50. Failure to Insist upon Strict Performance

The failure of either party to insist upon strict performance of any of the terms or conditions of this Lease shall not constitute a waiver thereof.

51. Memorandum of Lease Agreement

City and Company may enter into a short form memorandum of this Lease, in a form suitable for recording under the laws of the State of Washington, referencing this Lease, and all options herein, which Company may, at its expense, file in King County, Washington.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the respective dates below indicated.

CITY OF BELLEVUE

Approved as to form:

By: _____
Name:
Title:
Resolution # _____ Date: _____

Assistant City Attorney

(Company)

By: _____
Name:
Title:
Date:

**STATE OF WASHINGTON
COUNTY OF KING**

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 20____.

(SEAL)

Notary Public
Residing at _____
My appointment expires _____

**STATE OF WASHINGTON
COUNTY OF KING**

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 20____.

(SEAL)

Notary Public
Residing at _____
My appointment expires _____

Exhibits List here

Exhibit A – Property; Equipment Facility Area; Site Equipment Description

Exhibit B – Non-Exclusive Access Rights Description

Exhibit C – Leasehold Excise Tax Exemption

Exhibit D – Special Conditions

Exhibit E – Insurance

Exhibit F - Obligation Bond

Exhibit G – Rent Calculation

Exhibit A Page 1 of 2

Property; Equipment Facility Area; Site Equipment Description

Legal Description:

All that portion of vacated Blocks 14, 15, 16, 17, 18, 19, 20, 21, 22, 29, and 31, Kirkland syndicate No. 1, as per plat recorded in Volume 7 of Plats, Page 23, records of Kin County, EXCEPT Lots 6 and 7 of said vacated Block 15; TOGETHER WITH those portions of vacated Hawks Avenue, Fransen Avenue, Northeast 30th Street (Nelsen Street) and the South ½ of Northeast 32nd Street (Maple Street) which attached to said premises by operation of law; ALL lying Easterly of the Easterly margin of the Northern Pacific Railroad right-of-way and Westerly of the Westerly right-of-way margin of Primary State Highway No. 1 (S.R.405), as condemned in said county;

ALL as vacated in King County Vacation Ordinance V-11992, recorded December 11, 1966, under Vault File Recording No. 4861164;

AND that portion of Lot 6 in Block 15, Kirkland Syndicate No. 1, as per plat recorded in Volume 7 of Plats, Page 23, records of King County, lying Easterly of the Easterly margin of Northern Pacific Railroad right-of-way;

AND that portion of Lot 7 in Block 15, Kirkland Syndicate No. 1 as per plat recorded in Volume 7 of Plats, Page 23, lying Easterly of the Easterly margin of Northern Pacific Railroad right-of-way;

AND that portion of Lot 1 in Block 24, Kirkland Syndicate No. 1, as per plat recorded in Volume 7 of Plats, Page 23, records of King County, lying Easterly of the Easterly margin of Northern Pacific Railroad right-of-way, and Westerly of the Westerly right-of-way margin of Primary State Highway No. 1 (S.R. 405), as condemned in said county;

Situate in the City of Bellevue, County of King, State of Washington.

Exhibit A Page 2 of 2
Property; Equipment Facility Area; Site Equipment Description

Company shall not penetrate the roof unless prior permission is granted by the City. Company shall place protective pads, at the company's sole expense, beneath ballasted systems in order to prevent damage to the roof from sharp edges.

Proposed Site Plan:



Equipment: Solar Power Array

Solar Panels: Up to 428 UL Listed Solar Modules

Racking: Engineered solar panel racking compliant with local building requirements.

Inverter: One or more UL Listed Solar Inverters matched to the electrical output of the Solar Panels.

Cabling: Conduit and wiring to be laid from the solar modules to one or more electrical inverters and the Facility AC wiring.

Interconnection & Safety Equipment: All other equipment required for safe interconnection with the Facility and local Utility.

Exhibit B
Non-Exclusive Access Rights Description

The rights granted to Company in this Agreement permit Company and its representatives to do the following:

Use the Equipment Facility Area (“EFA”) for solar energy conversion, the collection and transmission of electrical energy to and from the Solar Energy Facility (“SEF”), and for related and incidental purposes and activities, including but not limited to locating, installing, operating, maintaining, improving, repairing, relocating, and removing the SEF on and from the Premises and to make such limited penetrations in the roof and roof structure (excluding any penetrations that would compromise the structural integrity or watertight character of the Premises) as needed to run wires and conduit from the SEF to the electrical panel and other areas on and within the Premises, in accordance with Company’s plans and design pre-approved by the City in accordance with the Site Lease Agreement (collectively, “Operations”).

Park in designated areas on the Property;

Access the Project Area (including but not limited to access for lifting, rigging, and material-handling equipment), and access the SEF on, over, and across the Project Area; and

Construct, install, maintain, repair, and remove the SEF on the EFA in the manner specifically set forth in the Site Lease Agreement; *provided, however*, that Company will not unreasonably interfere with the City’s use, operation, or maintenance of the Property, the Premises, or any portion thereof.

Exhibit C
Leasehold Excise Tax Exemption

No Exemption at time of execution

Exhibit D
Special Conditions

None known.

Exhibit E
Insurance Requirements

The Company shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Company, its agents, representatives, employees or subcontractors. The cost of such insurance shall be paid by the Company. Insurance shall meet or exceed the following unless otherwise approved by the City.

A. Minimum Insurance

1. Commercial General Liability coverage with limits not less than \$2,000,000 per occurrence / \$2,000,000 annual aggregate.
2. Stop Gap/Employers Liability coverage with limits not less than \$1,000,000 per accident/disease.
3. Business Automobile Liability coverage with limits not less than \$1,000,000 per accident for any auto.
4. Worker's Compensation coverage as required by the Industrial Insurance Laws of the State of Washington.

B. Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City.

C. Other Provisions - Commercial General Liability policies shall be endorsed to:

1. Include the City, its officials, employees and volunteers as additional insureds,
2. Provide that such insurance shall be primary as respects any insurance or self-insurance maintained by the City, and
3. Provide that coverage shall not be canceled except after thirty (30) days' written notice has been given to the City.

D. Acceptability of Insurers

Insurance shall be placed with insurers with a rating acceptable to the City.

E. Verification of Coverage

Company shall furnish the City with certificates of insurance required by this clause. The certificates are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies at any time. Certificates of insurance must also be provided by Company's subcontractors.

F. Subcontractors

Company shall require subcontractors to provide coverage which complies with the requirements stated herein.

Exhibit F
Obligation Bond or Line of Credit

As attached on following pages

To be quoted by a mutually-agreed-upon bond issuer or financial institution.

**Exhibit G
Rent Calculation**

Pursuant to Sections 6 C and 7, Rent for Company’s use of the City’s Site Equipment Area shall equal no less than Two Thousand and No/100 Dollars (\$2,000.00) per full year in solar power or check payable to the City, plus Leasehold Excise Tax as described below.

Rent is due on or before the first day of the calendar year. The Leasehold Excise Tax is due within 30 days of an invoice from the City to Company.

Schedule

Year	Due Date	Pmt for Period from	Amount Due
2012	2012		\$2,000 (1st Year Negotiation Fee)
2013	Jan 1, 2013	Jan-Dec 2013	\$2,000 Rent
	Jan 2013 (via invoice)	Jan-Dec 2013	\$256.80 LET
2014	Jan 1, 2014	Jan-Dec 2014	\$2,000 Rent
	Jan 2014 (via invoice)	Jan-Dec 2014	\$256.80 LET
2015	Jan 1, 2015	Jan-Dec 2015	\$2,000 Rent
	Jan 2015 (via invoice)	Jan-Dec 2015	\$256.80 LET
2016	Jan 1, 2016	Jan-Dec 2016	\$2,000 Rent
	Jan 2016 (via invoice)	Jan-Dec 2016	\$256.80 LET
2017	Jan 1, 2017	Jan-Dec 2017	\$2,000 Rent
	Jan 2017 (via invoice)	Jan-Dec 2017	\$256.80 LET
2018	Jan 1, 2018	Jan-Dec 2018	\$2,000 Rent
	Jan 1, 2018 (via invoice)	Jan-Dec 2018	\$256.80 LET
2019	Jan 1, 2019	Jan-Dec 2019	\$2,000 Rent
	Jan 2019 (via invoice)	Jan-Dec 2019	\$256.80 LET
2020	Jan 1, 2020	Jan-Jun 2020	\$1,000 Rent
	Jan 15, 2020 (via invoice)	Jan-June 2020	\$128.40 LET

Method for Calculating Rent Credit from Solar Power System’s Value to City

Company shall be entitled to a credit on its Rent payment to the city. Once per quarter, a reading of the Solar Power System’s power production meter will be taken by Company and reported to City as a progress report. The Utility will show a monetary credit on City’s monthly electricity bill under the

terms and conditions of the Net Metering Agreement. The value of this credit shall be Company's Rent. Any difference shall be reconciled annually via an invoice from Company to City, or City to Company.

Example:

Year 3 Utility Rate for Bellevue Service Center's electricity use = \$.10/kWh

Year 3 Production = 25,000 kWh

Net Metering Credit = \$2,500

PSE meter service fees = \$50

Net payment: \$2,000 Rent - \$2,500 Net Metering Credit + \$50 PSE meter service fees = \$450 due from City to Company

LET payment: \$256.80 due from Company to City (cash payment)

Any Rent up to Two Thousand and No/100 Dollars (\$2,000.00) owed by Company which has not been offset by the value of solar-generated electricity shall be paid by Company via check to the City by the Rent Due Date shown above.

Any Solar Credit beyond Two Thousand and No/100 Dollars (\$2,000.00) shall be paid by City via check to the Company by the Rent Due Date shown above.

Leasehold Excise Tax

Leasehold Excise Tax amounts are due and payable via check to the City each year regardless of the amount of any solar rent credit.