

STATE OF MINNESOTA

FACILITY LEASE

No. I-_____

THIS Facility Lease (the "Lease") is made by and between the State of Minnesota, Department of Military Affairs, hereinafter referred to as LESSOR, and Minnesota Power, an operating division of ALLETE, Inc., hereinafter referred to as LESSEE.

WHEREAS, the Adjutant General of the Minnesota National Guard, as commissioner of the Department of Military Affairs, is empowered by Minn. Stat. §190.16, subd. 6a, to rent out facilities at Camp Ripley;

WHEREAS, LESSOR is constructing at Camp Ripley a facility for the purposes of enabling construction of a REGS (as defined below), the land and improvements are hereinafter referred to as the FACILITY, upon which LESSOR intends to achieve state and federal renewable energy requirements and from which LESSOR intends to improve buildings and other facilities at Camp Ripley pursuant to Minn. Stat. §190.16, subd. 6a;

WHEREAS, the FACILITY is described in Exhibit A to this Lease and consists of approximately 294,272 Sq Yards.

WHEREAS, pursuant to Minn. Stat. §190.11, all lands and improvements at all camp grounds and military reservations of the state, including Camp Ripley and the FACILITY, are under the general management and control of the Adjutant General;

WHEREAS, the Adjutant General has determined that leasing the FACILITY will not interfere with military operations at Camp Ripley and that leasing the FACILITY under the terms and conditions described below will benefit military operations at Camp Ripley;

WHEREAS, LESSEE'S business is an operating division of ALLETE, Inc., a Minnesota Corporation and public utility provider to Camp Ripley;

WHEREAS, LESSEE desires to lease said FACILITY from LESSOR for the purpose of development, construction, maintenance and operation of a Renewable Energy Generation System ("REGS").

NOW, THEREFORE, LESSOR and LESSEE, in consideration of the rents, covenants and considerations hereinafter specified, do hereby agree each with the other as follows.

1. **LEASED FACILITY** In consideration of the covenants, conditions and obligations of this Lease to be kept and performed, LESSOR does hereby grant unto LESSEE a lease of the FACILITY located at Camp Ripley near the City of Little Falls, County of Morrison, Minnesota 56345 for LESSEE's exclusive use. In addition to the Facility, it is agreed that LESSEE will have free access to and use of all roads located at Camp Ripley for ingress to and egress from the FACILITY; provided however, that such access and use shall be upon such terms and under such rules and regulations as they now exist or be hereinafter enacted by the LESSOR.

2. **USE** LESSEE shall use and occupy the FACILITY for the purpose of constructing, maintaining and operating a REGS and for any additional uses reasonably related or incidental thereto. LESSEE shall use and occupy the FACILITY for any other activities with LESSOR's prior approval. LESSOR hereby acknowledges that LESSEE or FCL (as defined in Section 13) shall be the owner of the REGS and all leasehold improvements to the FACILITY.

3. **TERM** The term of this Lease is thirty five (35) years, commencing November 19, 2015 and continuing through November 18, 2050 (the "Term").

4. **TERM RENEWAL** At least twenty-four (24) months prior to expiration of the Term of this Lease, LESSOR and LESSEE shall review the lease agreement and determine whether to: (1) proceed to negotiate and execute a mutually-agreed extension; or (2) allow the lease to expire pursuant to the terms of this Lease including the Decommissioning Plan set forth in Exhibit D to this Lease.

5. **RENT**
 - 5.1 As rent for the above FACILITY, LESSEE agrees to pay LESSOR the sum of One Million Six Hundred Forty One Thousand Eight Hundred Eighteen and 53/100 Dollars (\$1,641,818.53), which is the sum of the rents on an annual basis plus an adjustment for inflation at two and one-half percent (2.5%) increase each year, for the Term, which results in an annual rent of the amount shown on following schedule:

Period	Annual Payment	Year
1	\$272,800.00	2016
2	\$23,385.00	2017
3	\$23,984.63	2018
4	\$24,599.24	2019
5	\$25,229.22	2020
6	\$25,874.95	2021
7	\$26,536.83	2022
8	\$27,215.25	2023
9	\$27,910.63	2024
10	\$28,623.39	2025
11	\$29,353.98	2026

12	\$30,102.83	2027
13	\$30,870.40	2028
14	\$31,657.16	2029
15	\$32,463.59	2030
16	\$33,290.18	2031
17	\$34,137.43	2032
18	\$35,005.87	2033
19	\$35,896.01	2034
20	\$36,808.41	2035
21	\$37,743.62	2036
22	\$38,702.22	2037
23	\$39,684.77	2038
24	\$40,691.89	2039
25	\$41,724.19	2040
26	\$42,782.29	2041
27	\$43,866.85	2042
28	\$44,978.52	2043
29	\$46,117.98	2044
30	\$47,285.96	2045
31	\$72,724.62	2046
32	\$74,565.27	2047
33	\$76,451.87	2048
34	\$78,385.67	2049
35	\$80,367.81	2050

5.2 LESSEE agrees to pay the amount owed for each year by check or money order made payable to the Department of Military Affairs by 30 November of each year and mailed or delivered to:

State of Minnesota
Department of Military Affairs
20 West 12th Street
St. Paul, MN 55155-2098

5.3 LESSEE agrees to provide at no cost to Lessor Renewable Energy Credits (RECS) as compensation for operating the REGS for the full term of this lease. For greater certainty, these RECS will not include any Solar Renewable Energy Credits ("S-RECS") generated by the REGS and Lessor will not claim that these RECS are from the REGS or constitute S-RECS. The entire transfer of RECS to Lessor is to occur during the first 12 months of the anticipated date of transfer of the Lease and will consist of 525,000 RECS. The expected date of transfer is anticipated to be October 16, 2016. If the Minnesota Public Utilities Commission ("MPUC") or another regulatory body prohibits Lessee from transferring RECS to LESSOR, LESSEE would purchase replacement RECs and transfer to Lessor up

to a value of \$250,000 in the first 10 years of the Lease. After the first 10 years, the value will decline \$10,000 annually as laid out in Exhibit E.

5.3.1 If the event arises in which RECs are required to demonstrate EPA Clean Power Plan compliance, LESSEE would purchase replacement RECs and transfer to LESSOR up to a value of \$250,000 in the first 10 years of the Lease. After the first 10 years, the value will decline \$10,000 annually as laid out in Exhibit E. Events and payment amounts laid out in 5.3 and 5.3.1 are mutually exclusive.

6. **LEASE TERMINATION** This Lease may be terminated by the parties as set forth below:

6.1 Following a material breach of this Lease by LESSEE, LESSOR may give LESSEE a written demand to engage in and pursue the dispute resolution process set forth in Section 24 of this Lease, in which event the parties shall forthwith and immediately do so. Engaging in the dispute resolution process shall not waive any rights or causes of action of either party nor is the dispute resolution process described herein the exclusive remedy in the event of a material breach. Thirty (30) days after LESSOR has given LESSEE a written demand to engage in and pursue the dispute resolution process set forth in Section 24 of this Lease, in the event the material breach is not cured or the dispute is not resolved, LESSOR may give LESSEE written notice that the breach remains uncured or unresolved specifying a date on which this Lease and the rental of the FACILITY shall terminate that is at least one hundred eighty days (180) days after the written notice is delivered. If, before the date of termination specified in the written notice, LESSEE has not cured the material breach, this Lease and the FACILITY rental herein shall automatically terminate on the date specified in the written notice. For the purposes of this Section only "material breach" shall be defined to mean any of the following circumstances exist:

- 6.1.1 If the LESSEE has failed to pay rent, fees, taxes or other charges when due hereunder and such failure to pay shall continue for ten (10) days after notice in writing in the manner hereinafter provided for; or
- 6.1.2 If the LESSEE fails in the observance or performance of any of the other terms, covenants and conditions of this Lease and such failure continues for thirty (30) days after LESSOR has given LESSEE written notice, or the LESSEE has failed to commence the rectification of such failure within thirty (30) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days; or
- 6.1.3 If LESSEE fails in the observance or performance of any of the other terms, covenants and conditions of this Lease on three separate occasions within a five (5) year period but on each occasion rectifies the failure prior to the date for determining material breach per Section 6.1.2 above, provided that on each occasion of failure LESSOR provides written notice of the failure; or
- 6.1.4 If a petition to reorganize the LESSEE or for its arrangement of its unsecured debts shall be filed, and is allowed against it or is consented to by it or is not dismissed within sixty (60) days after such filing, or

- 6.1.5 If the LESSEE shall be adjudicated bankrupt, or
- 6.1.6 If the FACILITY shall be deserted or vacated.
- 6.2 Following the later to occur of either (1) January 1, 2027 or (2) expiration or termination of the REGS Lease as described in Section 13, LESSEE may terminate this Lease and the FACILITY rental herein upon one hundred eighty (180) days' written notice to LESSOR.
- 6.3 If LESSOR commits any act or engages in any activity other than in response to a force majeure event that prevents the LESSEE from conducting its business as provided under the terms of this Lease for a period of more than sixty (60) days, then the LESSEE may, at its option, declare a moratorium on rent payments, or any other payments provided hereunder to the LESSOR during the interruptions of LESSEE's activities and in such event, the term of this Lease shall be extended for the period of such interruption, or interruptions, and the moratorium on any payments hereunder by LESSEE shall continue until LESSEE operations can be uninterruptedly continued. LESSEE must notify LESSOR in writing of any claimed periods of interruption no later than sixty (60) days after the interruption reaches its sixtieth (60) day. Within sixty days after LESSEE's operations resume, LESSEE must also notify LESSOR in writing of the date operations resumed and the total claimed number of days of interruption. Within sixty (60) days of receipt of LESSEE's total claimed number of days of interruption, LESSOR must respond to LESSEE in writing if it objects to the number of days claimed. At any time after receipt of LESSEE's initial written notice of interruption, LESSOR may respond in writing to object to the claim that there has been an interruption. To resolve any disputes over whether there was an interruption or the duration of any interruption, the parties will use the dispute resolution process set forth in Section 24 below before proceeding to any agreed upon alternative dispute resolution or district court action. LESSEE shall not be in default of its payment obligations under this Lease by virtue of the moratorium authorized herein.
- 6.4 Whether terminated by LESSOR upon LESSEE's material breach or terminated by LESSEE upon its election, in no event will any of the consideration provided by LESSEE for the FACILITY rental be returned to LESSEE.

7. **SURRENDER OF FACILITY**

- 7.1 LESSOR and LESSEE hereby agree that at the expiration or earlier termination of this Lease or extension thereof, the LESSEE has the option to sell the REGS on the FACILITY to a third party at least sixty (60) days before the termination of this Lease, or such other time agreed to by the parties. Such sale shall be subject to approval of the LESSOR, which approval shall not be unreasonably withheld.
- 7.2 At the expiration or earlier termination of this Lease, if LESSEE desires to sell the REGS pursuant to Section 7.1, then LESSOR shall first have the option to purchase from LESSEE the REGS located on the FACILITY. Within thirty (30) days after the termination of this Lease, or such other time agreed to by the parties, LESSOR shall give written notice of its interest to purchase

the REGS. If the parties do not agree on a price, the purchase price for the REGS shall be determined by an appraisal of the fair market value thereof made by a board of three (3) appraisers, one of whom shall be named by the LESSOR, one of whom shall be named by the LESSEE, and the third of whom shall be named by the two appraisers appointed respectively by the LESSEE and the LESSOR. Said purchase price, as so determined, shall be paid by LESSOR to LESSEE in cash within ninety (90) days after completion of said appraisal upon LESSEE's tendering to LESSOR good and marketable title to the REGS, free and clear of all encumbrances. In the event LESSOR is unable to secure funding to purchase the REGS located on the FACILITY for the purchase price determined under this section, LESSOR must withdraw its request to purchase the REGS located on the FACILITY if the parties cannot agree to an extension of the LEASE until such time as LESSOR obtains sufficient funding to make the purchase.

7.3 In the event that LESSEE does not sell the REGS as contemplated by Sections 7.1 and 7.2 above, then LESSEE shall remove the REGS as described in the Decommissioning Plan provided in Exhibit D and vacate and surrender possession of the FACILITY to LESSOR free and clear of any liens, claims, or encumbrances and in as good condition as when LESSEE took possession, ordinary wear and tear and damage by the elements excepted.

8. **DUTIES OF LESSOR** LESSOR shall furnish and provide, at its expense, the following services:

- 8.1 Access Roads. LESSOR shall provide and maintain access roads to the FACILITY.
- 8.2 Snow Removal. LESSOR shall provide snow removal on the access road to the entry of the FACILITY. LESSOR is not responsible for snow removal within the boundary of the FACILITY.
- 8.3 Grounds Maintenance. LESSOR shall provide grounds maintenance outside the boundary of the FACILITY. LESSOR is not responsible for grounds maintenance within the FACILITY.
- 8.4 Solar Clearance. LESSOR shall ensure that no permanent structure or tree will be allowed outside the boundaries of the FACILITY that inhibit solar clearance of the REGS, as determined by the parties, during the term of this Lease.
- 8.5 Emergency Service. LESSOR shall provide emergency services such as first response for medical emergencies and fire services on a fee basis.
- 8.6 Taxes and Liens. LESSOR shall pay all applicable real estate taxes on the FACILITY. LESSOR shall keep the FACILITY free from any liens or threats of liens against LESSOR.
- 8.7 Ownership. LESSOR does hereby warrant that LESSOR owns the FACILITY and has the full right and ability to grant and enter into this Lease. LESSOR further warrants that, subject to the terms and conditions hereof, LESSEE shall peacefully have, hold and enjoy the FACILITY during the full term of this Lease and any extension or renewal thereof.

8.8 LESSOR agrees to provide the location and access for construction and operation of a Solar Education Center

9. **DUTIES OF LESSEE**

9.1 LESSEE agrees to construct its REGS subject to the terms and conditions set forth in Exhibit B to this Lease.

9.2 LESSEE agrees to operate its REGS subject to the terms and conditions set forth in Exhibit C to this Lease.

9.3 LESSEE hereby assumes all responsibility for security of the REGS against theft, vandalism, or accidental loss of any kind whatsoever.

9.4 LESSEE shall comply with all applicable statutes, rules, ordinances and regulations as issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said FACILITY. LESSEE shall report annually to LESSOR all required environmental compliance data, such as, but not limited to, pesticide application, herbicide application, spill events, and as otherwise directed by LESSOR.

9.5 LESSEE shall obtain and pay for all licenses and permits (and special use permits, if applicable) as may be required by its use of the FACILITY.

9.6 LESSEE agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, color, creed, sex or national origin in furnishing, or by refusing to furnish, to such person or persons the use of the FACILITY including any and all services, privileges and activities provided therein.

9.7 LESSEE hereby agrees to observe the following conditions in its use of the FACILITY:

9.7.1 Not to construct any permanent type structures and/or improvements beyond what has been provided for in Exhibit B without LESSOR's prior consent, which shall not be unreasonably conditioned, denied or delayed.

9.7.2 Assure no obstruction of access to roadways or buildings anywhere on Camp Ripley except around the immediate perimeter of the FACILITY.

9.7.3 LESSEE, its agents, employees, invitees or visitors shall comply fully with all rules and regulations governing conduct and vehicular traffic on Camp Ripley as now posted or subsequently amended.

9.8 LESSEE agrees to provide \$25,000 in funding towards a Solar Education Center. This project shall take place no later than the first year the REGs are in operation.

10. **ACCEPTANCE AND POSSESSION**

- 10.1 LESSEE has inspected and knows the condition of the FACILITY and agrees to accept same in its "as is" condition. It is further understood that the FACILITY is hereby leased to LESSEE without obligation of any kind on the part of LESSOR to make any additions, improvements, or alterations thereto, except as set forth in Exhibit B.
- 10.2 LESSOR disclaims and excludes any implied warranties as to the utility, fitness, or adequacy of FACILITY for the uses contemplated in this Lease, and LESSEE acknowledges there are no warranties except those expressly stated herein.
- 10.3 LESSOR has no actual and specific knowledge of any toxic or hazardous substances or any substance classified as a "hazardous waste" or a "pollutant" or a "contaminant" by the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency or any other government agency that may in the future be responsible for environmental policy or enforcement having been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the FACILITY or adjacent property.
- 10.4 LESSOR's liability for any toxic or hazardous substances as defined above on the FACILITY, which such substances pre-date this Lease, shall be determined under applicable state and federal laws. Nothing in this Lease or through the actions of leasing or using the FACILITY shall be deemed to confer upon LESSEE status as an owner, operator, generator, or other responsible party for purposes of any environmental law with respect to any pre-existing contamination or contamination not caused directly by LESSEE.

11. **ALTERATIONS**

- 11.1 Except as set forth in Exhibit B, no alterations or structural changes shall be made to the FACILITY by LESSEE without first submitting four (4) hard copy sets and one (1) digital copy of plans and specifications for any alterations or structural changes to LESSOR and obtaining LESSOR'S written approval, which shall not be unreasonably denied, conditioned or delayed. Said plans and specifications must be prepared by an architect, engineer, surveyor, landscape architect, or interior designer licensed or certified in accordance with Minn. Stat. §326.02 and Minnesota Rules Chapter 1800.5000.
- 11.2 LESSOR'S approval shall be based on the approval and/or recommendations of the Department of Administration, Real Estate and Construction Services and Department of Labor and Industry; Construction Codes and Licensing Division; Building Codes and Standards Unit. LESSEE shall, at its expense, furnish all labor and materials to make all alterations and structural changes necessary for use of the FACILITY as permitted by this Lease.

- 11.3 Building contractors employed by LESSEE shall provide and maintain a performance bond and construction insurance as established by the Department of Administration, Materials Management Division. LESSEE shall provide copies of said performance bond and construction insurance to LESSOR.
- 11.4 In the event of loss or damage by fire or any other peril covered by an insurance policy maintained by LESSEE pursuant to the Damage by Fire or Other Casualty clause as set forth hereinafter, the proceeds of such insurance may be applied to the repair and restoration of the REGS, subject to prior mutual agreement by the parties hereto as to the plans and specifications of the proposed re-construction. LESSOR shall not be obligated to any costs or expenses in excess of LESSOR'S share of said insurance proceeds. In the event of such repair and restoration, an amendment to this Lease shall be executed setting forth the remodeling as approved by LESSOR. Said amendment shall also include a copy of the performance bond and construction insurance.
12. **ASSIGNMENT AND SUBLETTING** Except as otherwise provided in Exhibit C or as a condition of LESSEE's collateral assignment described in and subject to Section 13 below, LESSEE shall not assign nor in any manner transfer this Lease or any interest therein, nor sublet said FACILITY or any parts thereof.
13. **COOPERATION WITH REGS LEASE PROVIDER** LESSOR acknowledges that LESSEE has entered into or is contemplating entering into a transaction with Farm Credit Leasing Services Corporation ("FCL"), pursuant to which FCL shall own and lease to LESSEE the REGS (the "REGS Lease") on the terms and conditions set forth in a lease agreement and certain other agreements to be entered into by and between FCL and LESSEE. LESSOR agrees that it shall reasonably cooperate with FCL and LESSEE in order to effect and facilitate the REGS Lease, including without limitation by executing and delivering one or more instruments (which may include a consent to collateral assignment of this Lease) as FCL or LESSEE shall reasonably request. Notwithstanding any provisions of this Lease or of any consent to collateral assignment, any enforcement of the collateral assignment shall be subject to LESSOR's right to vet and approve any parties and their employees prior to allowing them onto Camp Ripley. While approval with not be unreasonably withheld, LESSOR reserves the right to exclude from Camp Ripley and the Facility any person or party that poses a threat to national, state, and base security.
14. **[Intentionally Omitted]**
15. **LESSOR'S ACCESS** LESSOR, acting through its designated agent, employees or officials shall have the right, upon prior notification to LESSEE, to inspect the FACILITY at all reasonable times. In exercising this right and while otherwise on the FACILITY, LESSOR shall comply with LESSEE's safety and security requirements to the extent practicable under the circumstances.

16. **LIABILITY INSURANCE**

16.1 LESSEE agrees to acquire and maintain, at its sole expense, during the term of this Lease and any extension thereof, commercial general liability insurance (or comparable coverage under a program of self-insurance), as follows:

a. Minimum Liability Limits:

- (i) \$2,000,000 per occurrence.
- (ii) \$2,000,000 annual aggregate.

b. Umbrella or Excess Liability Policy An umbrella or excess liability insurance policy may be used to supplement the LESSEE'S policy limits to satisfy the full policy limits required by this Lease.

c. Required Coverage:

- (i) Bodily injury.
- (ii) Property damage.
- (iii) Personal injury.
- (iv) Blanket contractual.
- (v) Fire legal.

16.2 Other Commercial General Liability Insurance Requirements:

- a. LESSEE's insurance must name the State of Minnesota/Department of Military Affairs (address: Camp Ripley Building 2-1, 15000 Highway 115, Little Falls, MN 56345) as additional insured.
- b. If LESSEE receives a cancellation notice from an insurance carrier affording coverage herein, LESSEE agrees to notify the LESSOR within five (5) business days with a copy of the cancellation notice, unless LESSEE'S policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the LESSOR.

- c. LESSEE shall provide LESSOR with a certificate of insurance or a statement of self-insurance that proves the required coverage is in force and that includes a reference to the address of the FACILITY.
17. **LIABILITY** Each party shall be responsible for their own tortious conduct as determined and enforced by applicable laws. LESSOR's torts are covered by Minnesota Statutes § 3.736 (2014) as may be modified over the term of the Lease.
18. **PERSONAL PROPERTY RISK** All personal property on or about the FACILITY belonging to or placed thereon by LESSEE or its occupants or visitors shall be there at the sole risk of LESSEE or such other person only, and LESSOR shall not be liable for theft or misappropriation thereof, nor for any loss or damage arising from the bursting or leaking of water, gas, sewer or steam pipes, or due to the happening of any accident on or about the FACILITY except to the extent caused by or attributable to LESSOR's negligence, which will be covered by Section 17 above.
19. **HOLDING OVER** In the event LESSEE remains in possession of the FACILITY herein leased after the expiration of this Lease and without the execution of a new lease, it shall be deemed occupying said FACILITY as a tenant, subject to all the conditions, provisions and obligations of this Lease insofar as the same can be applicable to a month-to-month tenancy.
20. **WAIVER OF COVENANTS** The failure of either LESSOR or LESSEE to insist in any one or more instances upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition, but the applicable party's obligation with respect to such future performance shall continue in full force and effect.
21. **AUDIT** Pursuant to Minn. Stat. §16C.05, subd. 5, the books, records, documents and accounting procedures and practices of LESSEE relevant to this Lease shall be subject to examination by the State and/or Legislative Auditor, as appropriate, for a minimum of six (6) years.
22. **NOTICES** Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, first-class mail, certified return receipt, and addressed to the other party at the address set forth below. Either party may change its address by notifying the other party in writing of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this paragraph.

The addresses of the parties to this Lease are as follows:

LESSOR:

Department of Military Affairs
Camp Ripley
15000 Highway 115
Little Falls, MN 56345

LESSEE:

Minnesota Power, a division of ALLETE, Inc.
ATTN: Project Manager, Camp Ripley Solar
30 West Superior Street
Duluth, MN 55802

Any communication transmitted by either of the above parties to the other shall include a copy to:
Minnesota Power, a division of ALLETE, Inc.
ATTN: Legal Services
30 West Superior Street
Duluth, MN 55802

- 23. LESSEE agrees to observe reasonable precautions to prevent waste of heat, electricity, water, air conditioning and other utility or service, whether such is furnished by LESSOR or obtained and paid for by LESSEE.
- 24. **Dispute Resolution.** The parties agree to use progressive escalation of disputes to resolve any disputes arising under this Lease promptly and at the lowest level possible (the “Dispute Resolution Process”), provided and upon the conditions that the parties engage in the Dispute Resolution Process promptly when a dispute arises, that the parties pursue resolution of the dispute diligently in good faith, and that the Dispute Resolution Process terminates when this Lease herein terminates whether the dispute is (or is not) resolved earlier. The mechanics of the Dispute Resolution Process are subject to change as personnel and titles change. The initial escalation ladder is:

	<u>LESSOR</u>	<u>LESSEE</u>
a.	<u>Project Manager</u>	<u>Project Manager</u>
b.	<u>Construction and Facilities Management Officer</u>	<u>Vice President</u>
c.	<u>Adjutant General</u>	<u>President</u>

EXHIBITS:

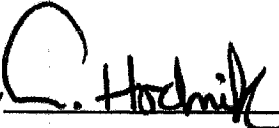
Exhibit A	DESCRIPTION OF FACILITY
Exhibit B	INITIAL CONSTRUCTION TERMS
Exhibit C	REGS OPERATIONS TERMS
Exhibit D	DECOMMISSIONING PLANS
Exhibit E	REC REPLACEMENT VALUE

IN TESTIMONY WHEREOF, the parties have set their hands on the date(s) appearing beneath their signatures.

LESSEE:

MINNESOTA POWER, a division of ALLETE, Inc.

Lessee certifies that the appropriate person(s) have executed the Lease on behalf of Lessee as required by applicable articles, bylaws, resolutions or ordinances.

By 

Title Chairman, President & CEO

Date November 17, 2015

By _____

Title _____

Date _____

LESSOR:

STATE OF MINNESOTA

DEPARTMENT OF MILITARY AFFAIRS

COMMISSIONER

By 

ADJUTANT GENERAL

Date 11-19-15

APPROVED:

STATE OF MINNESOTA

DEPARTMENT OF ADMINISTRATION

By _____

Title _____

Date _____

EXHIBIT A – DESCRIPTION OF FACILITY

Facility Description:

Leased Facility will consist of a 273,263 sq. yard portion of Camp Ripley facility #262728 and a 21,009 sq. yard portion of Camp Ripley facility #28001 for a total of 294,272 sq. yards. Total leased sq. yards will be collectively referred to as facility #26001. This Leased facility shall be described as follows:

That part of sections 4 and 9, Township 130 North, Range 29 West of the Fifth Principal Meridian, Morrison County, described as follows:

Commencing at the south quarter corner of said Section 9, thence along the south line thereof on an assigned bearing South 89 degrees 33 minutes 03 seconds West a distance of 2658.00 feet to the southwest corner of said Section 9; thence North 29 degrees 10 minutes 41 seconds East a distance of 3167.35 feet to the Point of Beginning of land to be described; thence North 89 degrees 31 minutes 36 seconds East a distance of 811.70 feet; thence North 03 degrees 09 minutes 24 seconds East a distance of 252.01 feet to a point heretofore known as "Point A"; thence South 89 degrees 54 minutes 27 seconds West a distance of 358.58 feet; thence South 03 degrees 09 minutes 24 seconds West a distance of 90.07 feet; thence South 89 degrees 54 minutes 27 seconds West a distance of 203.24 feet; thence North 00 degrees 05 minutes 45 seconds West a distance of 89.92 feet; thence South 89 degrees 54 minutes 27 seconds West a distance of 259.04 feet; thence South 00 degrees 05 minutes 45 seconds East a distance of 257.00 feet to the Point of Beginnings and there terminating.

TOGETHER WITH:

That part of Sections 4 and 9, said Township and Range, described as follows:

Commencing at the above described "Point A" thence northerly along an assigned bearing North 03 degrees 09 minutes 24 seconds East a distance of 88.35 feet to the Point of Beginning of the land to be described; thence continue North 03 degrees 09 minutes 24 seconds East a distance of 2677.50 feet; thence North 85 degrees 24 minutes 11 seconds West a distance of 164.06 feet; thence South 89 degrees 45 minutes 30 seconds West a distance of 819.40 feet; thence South 00 degrees 05 minutes 45 seconds East a distance of 2712.68 feet; thence North 89 degrees 54 minutes 27 seconds East a distance of 797.49 feet; thence North 49 degrees 48 minutes 23 seconds East a distance of 43.80 feet to the Point of Beginning and there terminating. Said combined lands contain 294,272 Sq. Yards, more or less.

Access Description:

Access to the facility is provided on Malmros Avenue adjacent to the east substation on the southern end of the parcel.

TOPOGRAPHIC SURVEY

PART OF SECTIONS 4 AND 9, TOWNSHIP 130 NORTH, RANGE 29 WEST OF THE 5TH PRINCIPAL MERIDIAN, MORRISON COUNTY, MINNESOTA

Camp Mpley descriptions

That part of Sections 4 and 9, Township 130 North, Range 29 West of the Fifth Principal Meridian, Morrison County, described as follows:

Commencing at the south quarter corner of said Section 9, thence along the south line thereof on an assigned bearing South 89 degrees 35 minutes 03 seconds West a distance of 2658.00 feet to the southwest corner of said Section 9; thence North 29 degrees 10 minutes 41 seconds East a distance of 3167.33 feet to the Point of Beginning of land to be described; thence North 89 degrees 31 minutes 36 seconds East a distance of 811.70 feet; thence North 03 degrees 09 minutes 24 seconds East a distance of 252.03 feet to a point heretofore known as "Point A"; thence South 89 degrees 36 minutes 27 seconds West a distance of 856.58 feet; thence South 03 degrees 09 minutes 24 seconds West a distance of 59.07 feet; thence South 89 degrees 34 minutes 27 seconds West a distance of 203.26 feet; thence North 00 degrees 05 minutes 45 seconds West a distance of 89.92 feet; thence South 89 degrees 54 minutes 27 seconds West a distance of 259.04 feet; thence South 03 degrees 05 minutes 45 seconds East a distance of 257.00 feet to the Point of Beginning and there terminating.

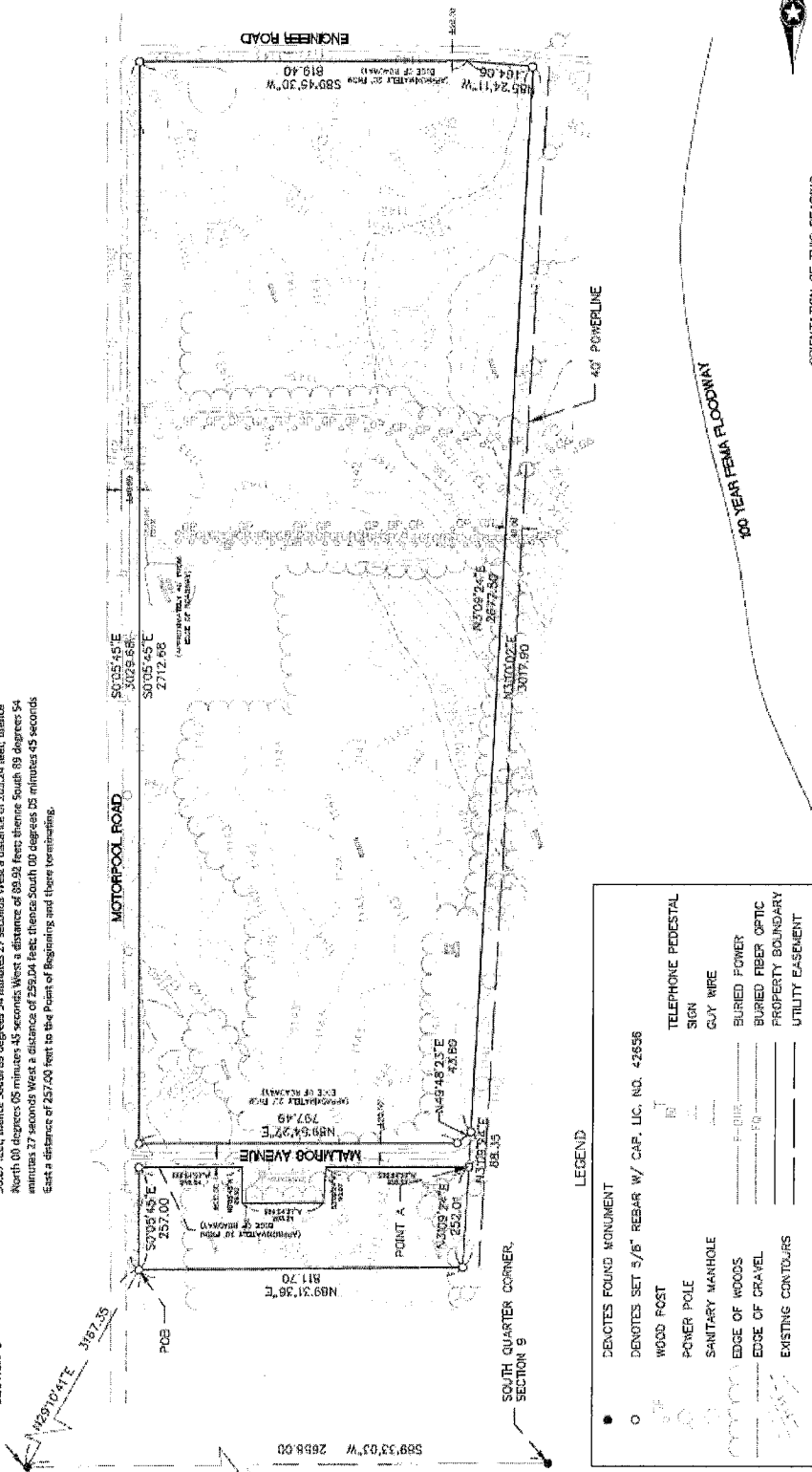
TOGETHER WITH:

That part of Sections 4 and 9, said Township and Range, described as follows:

Commencing at the above described "Point A" thence northerly along an assigned bearing North 03 degrees 09 minutes 24 seconds East a distance of 86.35 feet to the Point of Beginning of the land to be described; thence continue North 03 degrees 09 minutes 24 seconds East a distance of 2677.50 feet; thence North 89 degrees 34 minutes 11 seconds West a distance of 164.06 feet; thence South 89 degrees 45 minutes 30 seconds West a distance of 893.40 feet; thence South 00 degrees 05 minutes 45 seconds East a distance of 272.68 feet; thence North 89 degrees 34 minutes 27 seconds East a distance of 797.49 feet; thence North 49 degrees 48 minutes 23 seconds East a distance of 43.80 feet to the Point of Beginning and there terminating. Said combined lands contain 60.80 acres, more or less.

SOUTHWEST CORNER,
SECTION 9

SOUTH QUARTER CORNER,
SECTION 9



LEGEND

●	DECATES FOUND MONUMENT
○	DECATES SET 3/8" REBAR W/ CAP, I.C. NO. 42856
⊕	WOOD POST
⊙	TELEPHONE PEDESTAL SIGN
⊖	POWER POLE
⊗	SANITARY MANHOLE
⊘	GUY WIRE
⊙	BURIED POWER
⊙	BURIED FIBER OPTIC
⊙	PROPERTY BOUNDARY
⊙	EDGE OF WOODS
⊙	EDGE OF GRAVEL
⊙	EXISTING CONTOURS
⊙	UTILITY EASEMENT

EXHIBIT B – INITIAL CONSTRUCTION TERMS

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

Table of Contents

Part A – Definitions	1
Part B – Construction and Technical Requirements	6
Part C – Inspection and acceptance.....	13

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

Part A: Definitions

A.1 Definitions In addition to other terms specifically defined elsewhere in this Agreement, where capitalized, the following words and phrases shall be defined as follows:

“Business Day” means any day other than Saturday, Sunday, or any other day on which state agencies are closed such as holidays as defined by Minn. Stat. § 649.44, subd. 5.

“Camp Ripley Substation” means the existing substation serving Camp Ripley located within the footprint of the Solar Installation

“Commercial Operation Date” means the date on which LESSOR provides the Contractor written acceptance of the Completion Notice.

“Completion Notice” mean the written notice that the Contractor shall provide to LESSOR upon successful commissioning REGS, as outlined in C.1.

“Contracting Officer (KO)” means a person with the authority to enter into, administer, and/or terminate Contracts and make related determinations and findings on behalf of LESSOR. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

“Contracting Officer’s Representative (COR)” means a person who verifies Contractor performance of technical requirements in accordance with Contract terms, conditions and specifications; performs inspections; and serves as liaison between the KO, Installation, and Contractor. A COR is typically assigned to work at Camp Ripley with first-hand knowledge of on-going activities. The approval authorities and limitations for each COR shall be established by the KO and can be available to the Contractor upon request.

“Distribution Facilities” means the Camp Ripley 35 kV AC electrical distribution system owned, operated and maintained by LESSEE.

“Emergency Maintenance and Repair Work” means maintenance and repair necessary to correct an existing or eminent failure, or to protect the safety or health of personnel and prevent adverse impacts on the FACILITY or Installation.

“Energy” is the electrical energy in kilowatt hours (kWh) generated by the flow of an electric charge through a conductor as delivered by the REGS.

“Environmental Law” means any statute, law, act, ordinance, rule, regulation, order, decree, or ruling of any Federal, State and/or local governmental, quasi-governmental, administrative or judicial body, agency, board, commission or other authority applicable to the Lessee’s use of the FACILITY relating to the protection of health and/or the environment or otherwise regulating and/or restricting the use, storage, disposal, treatment, handling, release, and/or transportation of Hazardous Substances, including, without limitation, CERCLA, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Clean Air Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Emergency Planning and

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

Community Right To Know Act, and the environmental control laws of the State of Minnesota, each as now or hereafter amended, and all regulations promulgated thereunder.

“FACILITY” means the site leased by LESSOR to LESSEE for the purposes of constructing and operating LESSEE’s REGS solar generation system at Camp Ripley.

“Force Majeure Event” means causes beyond the reasonable control of, and without fault or negligence of the party claiming force majeure that unavoidably prevents or delays performance despite the due diligence of the party claiming force majeure. Such Party suffering a Force Majeure Event shall be excused from performance hereunder and shall not be liable to the other Party for or on account of any loss, damage, injury or expense resulting from, or arising out of, such delay or prevention; provided, however, that the Party claiming relief due to a Force Majeure Event shall as immediately as practicable (a) notify the other Party in writing of the existence of the Force Majeure Event, (b) exercise all reasonable efforts necessary to minimize delay and to mitigate or remediate the impacts caused by such Force Majeure Event, (c) notify the other Party in writing of the cessation or termination of said Force Majeure Event and (d) resume performance of its obligations hereunder as soon as practicable thereafter. Notwithstanding, during a Force Majeure Event LESSOR shall not be excused from making any payments to LESSEE for electric service provided. LESSEE shall not be considered in breach of this contract or liable for any delay or failure to comply with the contract, if and to the extent that such delay or failure is attributable to the occurrence of a Force Majeure Event. In no event will any delay or failure of performance caused by Force Majeure extend this contract beyond its stated term. In the event that any delay or failure of performance attributable to a Force Majeure Event continues for an uninterrupted period of three hundred sixty five (365) days from its inception, the Party not claiming Force Majeure may, at any time following the end of such period, if that Party is LESSOR, require consideration for the FACILITY Lease granted by the LESSOR to LESSEE for the purposes of the 10 MW solar PV system, or if the Party is the LESSOR, may terminate the FACILITY Lease.

“Governmental Approval” means any approval, consent, franchise, permit, certificate, resolution, concession, license, or authorization issued by or on behalf of any applicable Governmental Authority.

“Governmental Authority” means any federal, state, regional, county, town, city, or municipal government, whether domestic or foreign, or any department, agency, bureau, or other administrative, regulatory or judicial body of any such government.

“Hazardous Materials” means any substance that is at any pertinent time defined or listed in, or otherwise classified, designated, or regulated pursuant to, any Environmental Law as a hazardous substance, hazardous material, extremely hazardous substance, hazardous waste, hazardous chemical, infectious waste, toxic substance, toxic pollutant or solid waste, or any other legislative or regulatory formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, including, without limitation, friable asbestos and polychlorinated biphenyls and also including oil and petroleum,

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

petroleum products, by-products and wastes, and by-products associated with the extraction, refining, or use of petroleum or petroleum products, whether or not so defined, listed, classified, designated or regulated in Environmental Laws.

“Installation” means the Minnesota National Guard property and operations at Camp Ripley, Minnesota under the jurisdiction, management and control of LESSOR.

“Installation Point of Contact” (“Installation POC”) means a person who assists the COR in verifying and coordinating LESSEE’s performance of requirements in accordance with this Agreement, conditions and specifications; performs inspections; and serves as liaison between the Installation and LESSEE. The Installation POC is located on the Camp Ripley with first-hand knowledge of on-going activities. The approval authorities and limitations for the Installation POC shall be established by the KO and can be available to LESSEE upon request.

“Interconnection” means the point of physical connection between multiple electrical loads and generation sources. It is also the point for direct measurement of the energy flowing through the connection. The Interconnection shall be a single interconnection point at the Camp Ripley Substation. No separate Interconnection Application or Interconnection Agreement is required since LESSEE is a public utility.

“Interconnection Facilities” means the Contractor’s facilities required to connect the REGS to the Camp Ripley Substation.

“kWh” means kilowatt hour. The measurement of energy equal to 1000 watt hours. One kilowatt (1 kW) of power expended for one hour (1 h) of time.

“LESSEE” means Minnesota Power, an operating division operating division of ALLETE, Inc., a Minnesota corporation and public utility and the electric provider to Camp Ripley. For purposes of this Agreement only LESSEE shall include any agents or developers under contract with Minnesota Power to develop and construct the REGS.

“LESSOR” means the State of Minnesota acting through its Department of Military Affairs and its Adjutant General.

“MW” means megawatt. A megawatt is a unit for measuring power that is equivalent to one million watts (equivalent to one joule per second).

“MWh” means megawatt hour or 1000 kilowatt hours.

“NERC” means North American Electric Reliability Corporation.

“Party” or “Parties” means either LESSEE or LESSOR or LESSEE and LESSOR, respectively.

“Point of Interconnection” is where title to and risk of loss of the Energy passes to LESSOR or the owner of the Installation electrical distribution system.

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

“Renewable Energy Credits (RECs)” means the property rights to the environmental, social, and other nonpower qualities of renewable electricity generation. A REC, and its associated attributes and benefits, can be sold separately from the underlying physical electricity associated with a renewable-based generation source.

“Renewable Energy Generation System (REGS)” means the extension of LESSEE’s existing utility network via a system and integrated assembly of solar electric components, mounting assemblies, inverters, converters, metering, lighting fixtures, transformers, ballasts, disconnects, combiners, switches, wiring devices, wiring and any other equipment necessary to be installed at the FACILITY, owned or contracted for by LESSEE, and interconnected at the Interconnection with LESSEE’s existing electrical grid, to provide Energy load in both normal and emergency backup conditions.

A.2 Interpretation The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement. Words in this Agreement that import the singular connotation shall be interpreted as plural, and words that import the plural connotation shall be interpreted as singular, as the identity of the parties or objects referred to may require. The words “include”, “includes”, and “including” mean include, includes, and including “without limitation” and “without limitation by specification.” The words “hereof”, “herein”, and “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular provision of this Agreement.

Applicable NERC/Region: Midwest Reliability Organization (MRO)

Utility Service Area: Minnesota Power

Utility Distribution Company: Minnesota Power

The Contractor shall perform work within the parameters of the Construction and Technical Requirements,

Part B – Construction and Technical Requirements

B.1 Project Location

B.1.1 This Agreement is for development by LESSEE of a 10 MW solar generation system at Camp Ripley, Minnesota, to be either owned and operated or contracted for by LESSEE. Camp Ripley is located approximately six miles north of Little Falls, MN.

B.2 Ownership and Control of the REGS

B.2.1 LESSEE, as a public utility, is currently the only legally authorized entity with authority of the State of Minnesota’s service territory laws and applicable Minnesota Public Utilities Commission (“MPUC”) provides electric service to the Installation. LESSEE currently provides electric service to LESSOR under the LESSEE’s Large Light and Power Service Schedule, which rate LESSOR will continue to pay for all power provided by LESSEE to Camp Ripley after the completion of the REGS.

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

B.2.2. LESSEE will furnish its own materials and labor to extend its own utility system on the FACILITY and shall own the REGS or contract with a developer to do so. The purpose of these specifications is to set forth certain operational and Installation specific standards relative to LESSEE's work at the Installation and on the FACILITY.

B.2.3 Except as set forth herein, LESSEE shall have control over the design, build, operation and maintenance of the REGS which shall be installed on the FACILITY. The determination as to the size of the REGS rests with LESSEE.

B.2.4 LESSOR shall have no ownership or other interest in any of said REGS including any Solar Renewable Energy Credits ("S-RECs") generated by the REGS. LESSEE has agreed to supply alternative RECs per Section 5.3 of the FACILITY Lease Agreement.

B.3 FACILITY and Siting

B.3.1 LESSEE shall install the REGS on the FACILITY.

B.3.2 LESSEE shall be responsible for all modifications to the FACILITY required for the design, installation, construction and operation and maintenance requirements for the REGS.

B.3.3 LESSEE shall use the FACILITY for the mobilization and lay-down area. LESSOR is not obligated to provide additional mobilization or lay-down area.

B.3.4 LESSEE is responsible for obtaining all leases, licenses, and permits required to construct the REGS unless otherwise specifically provided herein. Evidence of such permits and licenses shall be provided to the Contracting Officer or the COR before work commences, as requested.

B.3.5 LESSOR will furnish temporary construction power (at LESSEE's expenses) as may be required for the work to be performed for construction of the REGS.

B.3.6 LESSEE shall provide LESSOR updates on the scheduling and phasing of the REGS and all other pertinent factors involved in completing the REGS.

B.3.7 LESSEE shall be responsible at its own expense for any utility relocation that is necessary for the construction of the REGS at the FACILITY. LESSEE will coordinate with LESSOR and any affected utility and obtain any necessary permits before performing any relocation of utilities.

B.4 Right of Access and Employees

B.4.1 LESSOR will authorize LESSEE, its agents and employees, subject to the limitations specified in this Agreement, the right of access to enter the Installation in order to access the FACILITY upon which the REGS is located for any proper purpose under this Agreement, including use of the FACILITY for the construction, installation, operation, repair, replacement, and maintenance of the REGS. It is expressly agreed upon, acknowledged, and understood that LESSOR may limit or restrict the right of access herein

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

granted in any manner considered to be necessary for national or state security, or in the event that this Agreement is terminated.

B.4.2 LESSEE contractor personnel must carry a driver's license and company photo ID with them at all times when on the Installation. All vehicles entering the Installation shall be required to show valid insurance and registration and are subject to search at the discretion of LESSEE's security personnel. Security provisions of Camp Ripley shall be followed, as described in LESSEE's project development RFP.

B.4.3 LESSEE shall not employ or allow any person to work on the REGS on the FACILITY or enter the Installation if such person is identified to LESSEE or to LESSOR as a potential threat to the health, safety, security, general well-being, or operational mission of LESSOR. No employee or representative of LESSEE will be admitted to the FACILITY unless that employee furnishes satisfactory proof that he/she is a citizen of the United States or otherwise legally authorized to work in the United States without the written consent of the Contracting Officer. LESSEE and LESSOR shall establish protocol for visitors after the REGS is placed in-service.

B.4.4 LESSEE contractor personnel shall conduct themselves in a proper, efficient, courteous, and businesslike manner. LESSEE shall remove from the Installation any individual whose continued employment is deemed by the Contracting Officer or the COR, acting contrary to the public interest or inconsistent with the best interests of LESSEE's business or national or state security.

B.4.5 LESSEE shall provide the Contracting Officer and the COR, with the name(s) of the responsible supervisory person(s) authorized to act for LESSEE.

B.5 Interconnection Description

B.5.1 The specific Point of Interconnection will be at LESSEE's [to be identified upon completion of o design] located within the Camp Ripley Substation on LESSEE's side of the metering point.

B.5.2 LESSEE shall have no obligation to operate or maintain the Distribution Facilities belonging to Camp Ripley. LESSEE will construct the Interconnection Facilities to support the interconnection of the REGS. LESSOR shall have no liability for any costs associated with LESSEE owned portions of the Camp Ripley Substation, the Interconnection Facilities or Distribution Facilities improvements necessary to connect the REGS.

B.5.3 LESSEE shall supply all needs for the Interconnection of the REGS into LESSEE's utility system at the Point of Interconnection and shall perform all work, and provide all required materials and equipment, including but not limited to step-up transformers, switching, over-current protection, isolation capabilities, etc. to provide a working system.

B.5.4 LESSEE shall provide LESSOR a preliminary Interconnection Facilities design for review and approval. Upon completion of all necessary geotechnical, environmental and engineering studies, and obtaining all necessary regulatory approvals, LESSEE shall provide LESSOR a final Interconnection

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

design. Upon completion of the REGS, LESSEE shall provide LESSOR final as-built drawings of the Interconnection Facilities.

B.6 Design Plans

B.6.1 Within thirty (30) Business Days of completion of the Interconnection studies, LESSEE shall provide a thirty-five (35) percent design plan to LESSOR, including a to-scale site plan of the REGS layout on the FACILITY showing the electrical distribution system, poles, fence, inverters, interconnects, access roads, and all other major components. The site plan shall also show existing structures, including the Installation substation and surrounding buildings.

B.6.2 At least ninety (90) Business Days prior to construction of the REGS, LESSEE shall provide at sixty-five (65) percent design plan to LESSOR, including Final Layouts, Grading, Road Profiles, Foundation design details and Proposed Equipment list.

B.6.3 At least (30) Business Days prior to the commencement of construction of the REGS, LESSEE shall provide a ninety-five (95) percent design plan and map to LESSOR, including a to-scale site plan of the REGS layout on the FACILITY showing the final and approved electrical distribution system, poles, fence, inverters, interconnects, access roads, and all other major components. The site plan shall also show existing structures, including the Installation substation and surrounding buildings.

B.6.4 As specified in Section C.3 of this Agreement, LESSEE shall provide LESSOR final as-built drawings within sixty (60) Business Days of LESSEE's receipt of the Completion Notice from LESSOR.

B.7 Equipment and Controls Description

B.7.1 LESSEE shall provide all equipment including but not limited to overcurrent protection devices and metering necessary to connect to the Camp Ripley Substation.

B.7.2 At LESSEE's expense, the REGS shall interconnect at the Point of Interconnection in accordance with approved MRO or applicable regulations. LESSEE shall be responsible for performing all work for the Interconnection, including the interconnection and routing of electricity from the REGS site to the Point of Interconnection and for providing all required labor, material and equipment to extend LESSEE's utility system.

B.8 Future Microgrid Interoperability

B.8.1 To increase energy security during times of LESSEE electrical grid outage, LESSEE intends to construct the REGS to be microgrid-ready when such microgrid technology is developed and cost-effectively available. When the technology is available, the objective is to connect the REGS in a future microgrid that could include engine generators, other inverter based renewable resources and energy storage.

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

B.8.2 In the event that LESSOR constructs a microgrid at Camp Ripley, LESSEE will grant LESSOR up to 50 hours of use of the REGS on an annual basis. This use will be for testing and training purposes allowing LESSOR to optimize their microgrid system. LESSOR will give LESSEE at least 48 hours' notice prior to need of use.

B.9 Lighting and Fencing

B.9.1 LESSEE may, at LESSEE's option, install security lighting. If LESSEE installs security lighting, LESSEE shall seek LESSOR approval of lighting design, for which the Installation shall provide the necessary generation source for operation, at the Installation's expense. Any such lighting design shall provide for immediate shut off of the security lighting by LESSOR as deemed necessary for the security of the Installation.

B.9.2 At LESSEE's expense, the REGS shall be fenced on all sides to prevent unauthorized persons from entering the area, tampering with the REGS, and to protect against the danger of electric shock. Fencing shall be of a minimum height of seven (7) feet with three (3) wire anti-climbs. Fencing shall be grounded.

B.10 Work Scheduling and Normal Working Hours

B.10.1 All work scheduling, including construction and maintenance, shall be coordinated with LESSOR through the COR or their designee. Service or repair calls shall be coordinated with the Installation's POC.

B.10.2 All work shall normally be performed within normal working hours. Camp Ripley's normal working hours are 0600 – 1830 Monday – Friday exclusive of Saturdays, Sundays, Holidays, executive orders, and administrative closures. Digging shall not be performed outside of 0600-1830 on normal working days without prior notification to the Contracting Officer. The Contracting Officer shall work with LESSEE in good faith to arrange for flexibility in LESSEE's performance outside normal working hours to enable LESSEE sufficient opportunity to satisfy schedule and milestone requirements. The COR will advise Camp Ripley security personnel about any after-hour work shifts to be conducted by LESSEE.

B.11 Metering and Meter Reading Services

B.11.1 The REGS shall be measured by utility grade metering equipment of standard manufacture to be furnished, installed, maintained, repaired, calibrated, and read by LESSEE at its expense. When more than a single meter is installed at a service location, the readings thereof may be billed conjunctively, if appropriate. The meter shall support interval metering for real and reactive demand registering entries of no longer than 15 minutes.

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

B.11.3 No meter shall be placed in service or allowed to remain in service that does not meet the accuracy standards of ANSI C12.20.

B.11.4 For any connection to LESSOR's intranet and/or internet networks, LESSEE shall receive the necessary cyber security requirements prior to operation.

B.12 Environmental and Natural Resources Protection

B.12.1 During construction, LESSEE shall employ industry management practices to minimize airborne particulate matter.

B.12.2 Noise impacts during construction activities will be mitigated by adhering to OSHA standards for noise exposure.

B.12.3 The REGS and associated construction will not adversely affect water drainage patterns at the installation or adjacent land. The REGS shall also comply with all environmental requirements and standards. Local storm water management practices shall be followed where grading is necessary to control drainage on the FACILITY.

B.13 Environmental Assessment

B.13.1 LESSEE is responsible for implementing mitigation and monitoring requirements to include, but not limited to:

- a) Developing and implementing a Storm Water Pollution Prevention and Erosion and Sediment Control Plan;
- b) Implementing standard dust control best management practices;

B.13.2 LESSOR is responsible for implementing mitigation and monitoring requirements to include, but not limited to:

- a) Conducting a natural resource survey of the proposed fence location prior to fencing installation;
- b) Conducting clearance surveys prior to the beginning of construction;
- c) Conducting cultural and endangered species inventory.
- d) Providing information on previous land use for Phase One environmental assessment.

B.14 Health and Safety

B.14.1 LESSEE shall comply with all applicable laws pertaining to the health and safety of persons and real and personal property.

B.14.2 LESSEE shall comply with the most current version of all safety and health standards applicable to the work to be performed. LESSEE will meet and maintain all Occupational Safety and Health requirements.

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

B.14.3 LESSEE shall comply with any additional specific safety and health requirements necessary to protect the safety and health of workers. LESSOR will not provide safety equipment to LESSEE. LESSOR has the right and authority to review, inspect, and if need be cause corrective actions to be taken if the REGS is not being constructed in a safe manner.

B.14.4 LESSOR may, from time to time, upon notice and during reasonable working hours, inspect LESSEE's operation to ensure compliance with worker safety and health requirements contained in the contract. The Contracting Officer and/or technical representative acting on behalf of LESSOR shall notify LESSEE if necessary corrections commensurate with the deficiencies found are requested to be made. LESSEE shall make these corrections at no additional cost to LESSOR. LESSEE has the authority to stop work if unsafe conditions exist. LESSEE's refusal or failure to abate violations or deficiencies may be justification for contract termination.

B.14.5 LESSEE shall maintain an accurate record of accidents resulting in traumatic injury or death and accidents resulting in damage to LESSOR property, supplies, and equipment. LESSEE shall report accidents to LESSOR in writing within 24 hours of occurrence.

B.15 Hazardous Substances

B.15.1 LESSEE, at its expense, must comply with all applicable laws on occupational safety and health, the handling and storage of hazardous materials, and the proper handling and disposal of hazardous wastes and hazardous substances generated by its activities. Applicable law governs responsibility for the costs of proper handling and disposal of hazardous wastes and hazardous substances.

B.16 Disposal of Waste

All MP-generated refuse/waste from the construction project(s) shall be removed to an off-Installation disposal site at no additional expense to LESSOR.

B.17 Fire Prevention

LESSEE shall observe all requirements for handling and storing combustible supplies, materials, waste and trash. LESSEE employees operating critical equipment shall be trained to properly respond during a fire alarm or fire in accordance with the applicable agency's fire prevention procedures, rules or regulations.

B.18 Sanitation

Adequate sanitary conveniences of a type approved for the use of persons employed on the REGS installation shall be constructed, properly secluded from public observation, and maintained by LESSEE. These conveniences shall be maintained at all times without nuisance. Upon completion of the REGS installation, the conveniences shall be removed by LESSEE from the FACILITY, leaving the site clean and free from nuisance.

B.19 Solar Clearance

LESSOR will take reasonable steps as necessary within its control (within the boundaries of Camp Ripley) to prevent other buildings, structures, or flora (outside of the REGS security fence) from

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

overshadowing or otherwise blocking access of sunlight to the REGS. LESSEE shall notify LESSOR of any obstructions of sunlight within the Installation outside of the FACILITY and request LESSOR remove them.

B.20 Notices and Official Communications

Changes to LESSEE's point of contact information shall promptly be reported, in writing, to the Installation POC.

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

Part C – Inspection and Acceptance

C.1 REGS Commissioning LESSEE's technical personnel, with the assistance of the equipment manufacturer(s) as needed, will perform a complete commissioning of the DC and AC system equipment following LESSEE's commissioning procedures. These commissioning procedures will include tests, inspections, safety and quality checks for solar photovoltaic power plants of a similar size. All testing and commissioning will be conducted in accordance with the manufacturer's specifications and industry and LESSEE standards. The system inverters will be commissioned on site by a manufacturer's representative or qualified technician and will confirm that the inverter can be operated locally per specification and that automatic operations such as wake-up and sleep routines, power tracking and fault detection responses occur as specified.

Upon completion of each of the commissioning procedures, LESSEE's technician or engineer will initial the commissioning checklist or test result page to indicate that the test has been completed successfully. During commission, LESSEE will verify adequate production, meter readings and REGS shut-down capabilities.

If the results of such testing indicate that the REGS is capable of generating electric energy for 10 continuous days, using such instruments and meters as have been installed for such purposes, and the REGS has been commissioned and interconnected, then LESSEE shall send a written notice to that effect to the Contracting Officer (a "Completion Notice")

LESSEE shall notify LESSOR not less than five (5) Business Days prior to the anticipated date of REGS Commissioning. LESSOR shall have the right, but not the obligation, to be present at and observe the REGS Commissioning, at LESSOR's sole cost.

C.2. Acceptance Once the REGS is Commissioned LESSOR shall have ten (10) Business Days after receipt of the Completion Notice to verify that requirements in this section are complete. If the system requirements are met, as specified above, the Contracting Officer will provide to LESSEE written acceptance of the Completion Notice and confirmation of the Commercial Operation Date.

C.3. Final Drawings Contractor shall provide LESSOR two (2) final as-built drawings in both paper and electronic auto-CAD formats within sixty (60) Business Days of LESSEE's receipt of the Completion Notice.

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

EXHIBIT C – FACILITY OPERATIONS TERMS.

[insert here]

Project Development Agreement between Minnesota National Guard (MMNG) located at Camp Ripley (Camp Ripley) and Minnesota Power (MP) for Construction and Technical Requirements Associated with MP 10 MW Solar Generation System

EXHIBIT D – DECOMMISSIONING PLANS.

[insert here].

EXHIBIT E
REC Replacement Value

Period	REC Replacement Value	Year
1	\$250,000	2016
2	\$250,000	2017
3	\$250,000	2018
4	\$250,000	2019
5	\$250,000	2020
6	\$250,000	2021
7	\$250,000	2022
8	\$250,000	2023
9	\$250,000	2024
10	\$250,000	2025
11	\$240,000	2026
12	\$230,000	2027
13	\$220,000	2028
14	\$210,000	2029
15	\$200,000	2030
16	\$190,000	2031
17	\$180,000	2032
18	\$170,000	2033
19	\$160,000	2034
20	\$150,000	2035
21	\$140,000	2036
22	\$130,000	2037
23	\$120,000	2038
24	\$110,000	2039
25	\$100,000	2040
26	\$90,000	2041
27	\$80,000	2042
28	\$70,000	2043
29	\$60,000	2044
30	\$50,000	2045
31	\$40,000	2046
32	\$30,000	2047
33	\$20,000	2048
34	\$10,000	2049
35	\$0	2050