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December 1, 2016

Davenport Community School District  
Attn. Ralph Johanson  
1606 Brady Street  
Davenport, IA 52803

Dear Mr. Johanson

The following non-binding letter (the “Letter of Intent”) sets forth the terms for an agreement in principle among EPo Davenport, LLC (“EPo”) and Davenport Community School District (“DCSD”) for the sale and purchase of solar generated electricity. The purpose of this non-binding Letter of Intent is to summarize the key business terms in order for us to proceed in an expeditious manner, and to move towards the drafting and execution of a definitive power purchase agreement and related documents (the “Definitive Agreements”).

This Letter of Intent is not intended to be a binding agreement and shall not give rise to any obligations between the parties. As such, no binding contractual agreement shall exist among the parties unless and until EPo and DCSD shall have executed the Definitive Agreements, which shall contain the provisions outlined below and the representations, warranties, and other terms and conditions customary in this type of transaction, all of which must be acceptable to both parties in their sole discretion. Either party may for whatever reason terminate this Letter of Intent and further negotiations by written notice to the other party. In such event there shall be no liability between EPo and DCSD as a result of the execution of this Letter of Intent, any actions taken in reliance on this Letter of Intent, or such termination.

EPo anticipates that the transaction would be structured as a power purchase agreement, as discussed in more detail below:

1. **Structure of the Transaction.** The transaction will be structured as a power purchase agreement (“Agreement”) whereby DCSD shall purchase, and EPo shall sell, solar electric energy generated by the equipment and facilities constructed by EPo at various DCSD properties (the “System”). The solar electric energy is for DCSD’s use only and not for producing power for general consumption on the electric grid.
2. **Term and Ownership.** Subject to periodic five (5) year extensions, the term of the Agreement is expected to be twenty (20) years, commencing on the date that EPo gives written notice that the System for all properties has been installed and is capable

of providing electric energy (the “Commercial Operation Date”). In the event that the Agreement is not extended and terminates earlier than 20 years before the Commercial Operation Date, then DCSD shall be obligated to purchase the System from EPo. If the Agreement is extended, then upon the twentieth (20<sup>th</sup>) anniversary of the Commercial Operation Date, EPo shall transfer ownership of the System at the properties to DCSD at no cost to DCSD.

3. **Contract Price.** DCSD shall pay EPo monthly for the electric energy generated by the System at the \$/kWh rate shown below.

<b>Contract Year</b>	<b>\$/kWh</b>
1	\$0.067
2	\$0.068
3	\$0.070
4	\$0.071
5	\$0.073
6	\$0.074
7	\$0.075
8	\$0.077
9	\$0.079
10	\$0.080
11	\$0.082
12	\$0.083
13	\$0.085
14	\$0.087
15	\$0.088
16	\$0.090
17	\$0.092
18	\$0.094
19	\$0.096
20	\$0.098

4. **Environmental Incentives, Attributes and Tax Incentives.** Any and all environmental incentives, environmental attributes and tax credits shall accrue to EPo.
5. **Design, Construction, Maintenance and System Ownership.** EPo shall design, engineer, construct and maintain the System, which will be owned by EPo.

6. **Conditions Precedent.** EPo's obligation to construct the System is contingent upon certain prerequisites, including: physical inspection of the properties by EPo; DCSD making any structural changes necessary for the System at the properties; the receipt of adequate financing and the acceptance of the power purchase agreement by any financing parties; confirmation that EPo will receive all environmental incentives, environmental attributes and tax credits; proof of insurance; the execution of satisfactory licenses and easements by DCSD; the receipt of all necessary zoning, land use and building permits, and; the execution of all agreements necessary for interconnection.
7. **Option to Purchase.** DCSD shall have an option to purchase the System at Contract Years 7 and 12.
8. **Credit Score.** DCSD shall provide proof of its credit score as soon as possible to EPo and any financing parties in order to facilitate EPo's financing.

We look forward to working with you to complete the proposed transaction. If you have questions, please contact me.

If you are in agreement of the terms as outlined in this letter, please sign in the space provided and return the letter to me.

[Signature page follows]

We appreciate your consideration.

Very truly yours,

EPO Davenport, LLC

By:  \_\_\_\_\_

Its: Jason Egli, Manager EPO Davenport

ACCEPTED AND AGREED this \_\_\_ day

of \_\_\_\_\_, 2016:

Davenport Community School District

By: \_\_\_\_\_

Its: \_\_\_\_\_