



**We Energies**  
 231 W. Michigan St.  
 Milwaukee, WI 53203  
 www.we-energies.com

October 25, 2019

Cara Pratt  
 Sustainability and Conservation Coordinator  
 City of Racine  
 730 Washington Avenue  
 Racine, WI 53403

Re: Non-Binding Term Sheet / City of Racine Participation in Solar Now Pilot

Dear Cara:

Wisconsin Electric Power Company ("WEPCO") is pleased to have the opportunity to work with the City of Racine ("Racine") to participate in the "Solar Now" Solar PV System Hosting Pilot Program ("Proposed Transaction") at the site of Olson Prairie Park ("Site"), as identified on the attached Term Sheet.

The Term Sheet is a non-binding summary of the key elements of the Proposed Transaction. By executing the Term Sheet, each party agrees to pursue the Proposed Transaction in good faith and expend the necessary time and resources to complete detailed engineering of the solar and interconnection facilities in order to complete the definitive agreements (Solar Now Service Agreement and Solar Now Ground Lease Agreement) attached thereto. Term Sheet must be signed and returned to WEPCO within 30 days of issuance to secure a reservation in the program. A term sheet returned late will subject the reservation to program capacity availability.

Neither party is obligated to enter into any agreements or to proceed with the Proposed Transaction. Any obligations other than those explicitly agreed to herein will arise only in accordance with, and subject to, such definitive agreements as may be executed by WEPCO and Racine.

After the leases have been executed, annually WEPCO will provide Racine a Form 1099 for the lease payments paid by WEPCO.

Finally, the parties will agree on marketing related to the Solar PV System.

If this is acceptable to you, please sign and return to me one copy of this letter confirming approval of the Term Sheet. We look forward to working with you on this exciting project.

Sincerely,

Wisconsin Electric Power Company

By:

Name: Richard Stasik

Title: Director – Regulatory Finance, Planning,  
 Systems and Strategic / Special Projects

CONFIRMED AND AGREED TO:

City of Racine

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

Name:

Title:

## TERM SHEET

A non-binding summary of the terms and conditions of the proposed solar energy project at the site of the City of Racine (“Proposed Transaction”) is set forth below.

<b>Tenant</b>	Wisconsin Electric Power Company, or its designee (“ <b>WEPCO</b> ”)					
<b>Landlord(s)</b>	City of Racine (“ <b>Racine</b> ”)					
<b>Solar Plant</b>	<p>The solar photovoltaic system to be installed on the surrounding grounds or rooftop of the Premises (as such term is defined below) (“<b>Solar Plant</b>”) shall be an approximately 600 kW AC power plant to be designed, permitted and constructed by WEPCO at its expense. The actual size of the Solar Plant may vary based on detailed engineering review of the Premises area, structural components, and any potential shading.</p> <p>The property will constitute approximately 2.64 acres of land as shown in Attachment 1.</p>					
<b>Site; Premises</b>	<p>The Solar Plant shall be located on the surrounding grounds (“<b>Premises</b>”) of one or more of the following sites (“<b>Sites</b>”):</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Site:</td> <td style="text-align: center;">Address:</td> </tr> <tr> <td style="text-align: center;">Olsen Prairie Park</td> <td style="text-align: center;">3444 South Memorial Drive, Racine, WI 53403</td> </tr> </table> <p>Alternatively, if for engineering or other reasons, the above identified Sites cannot be used to host the Solar Plant, the parties can mutually agree to an alternate Site(s). Customer shall be responsible for the cost and execution of site preparation work to make the site suitable to host the Solar Plant.</p> <p>The Premises size must be sufficient to support the development, construction, operation and maintenance of the Solar Plant.</p>		Site:	Address:	Olsen Prairie Park	3444 South Memorial Drive, Racine, WI 53403
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Olsen Prairie Park	3444 South Memorial Drive, Racine, WI 53403					
<b>Environmental Attributes</b>	<p>WEPCO will own 100% of the solar energy/capacity produced by the Solar Plant.</p> <p>Racine will elect to receive the Renewable Energy Credits for the term of the Solar Now Service Agreement and Lease.</p> <p>Customer agrees that the following Renewable Resource Credit Market Price reflects the market price at the time this Agreement is executed and will be in effect for the term of this Agreement: \$2/MWh.</p> <p>See attached Solar Now Service Agreement Section 5.</p>					
<b>Lease and Solar Now Service</b>	Racine will enter into a Lease (" <b>Lease</b> ") of the Premises to WEPCO in substantially the same form as attached hereto for a 30-year term					

<b>Agreements</b>	<p>(“<b>Term</b>”).</p> <p>During the Term, WEPCO will have a non-exclusive easement for right-of-way and access to the Premises across and through the Site as may be reasonably required to accommodate the Solar Plant and any interconnection facilities. See attached Lease Agreement Section 4.</p>
<b>Rent</b>	<p>In consideration of its rights under the Lease, WEPCO and Racine will enter into a Solar Now Service Agreement in substantially the same form as attached hereto, within which WEPCO shall pay Racine annual rent (“<b>Rent</b>”) of approximately \$26,151 payable in equal monthly installments of \$2,179, which the parties acknowledge is an estimate that is subject to change as the final engineering and interconnection studies are done for the sites. The rent payment is subject to final size and design of the Solar Plant. See attached Solar Now Service Agreement Section 3 (Rate) and attached Lease Section 3.</p>
<b>Operation and Maintenance</b>	<p>During the Term, WEPCO will be solely responsible for operating and maintaining the Solar Plant. WEPCO will either self-maintain the Solar Plant or enter into an operations and maintenance agreement with an authorized third party provider (“<b>O&amp;M Agreement</b>”).</p>
<b>Expenses</b>	<p>Each party agrees to pay its own expenses in connection with the negotiation and execution of the Solar Now Service Agreement and Lease and other documents required to implement the Proposed Transaction (collectively, "<b>Project Agreements</b>"), whether or not these documents are executed and delivered by the parties.</p>
<b>Marketing Rights</b>	<p>WEPCO will have the exclusive right to own and operate a solar photovoltaic system on the Site.</p> <p>WEPCO acknowledges that as a visible Solar PV System Racine may actively market certain aspects of their operations. See attached Lease Section 18.</p>
<b>Termination Rights</b>	<p>Nothing in this Term Sheet requires either party to conclude the Proposed Transaction or any portion thereof. Either party may terminate this Term Sheet effective immediately upon written notice to the other party for any reason. Unless mutually agreed to in writing by both parties, this Term Sheet shall automatically terminate on January 24, 2020.</p>
<b>Parties’ Relationship</b>	<p>Neither party or any of their respective affiliates shall be deemed to be partners or members of a joint venture with each other, nor shall either party, be deemed to be an agent, representative, trustee or fiduciary of the other as a consequence of the execution of this Term Sheet.</p>
<b>Counterparts</b>	<p>This Term Sheet may be executed and delivered in electronic form, such as PDF/electronic mail or facsimile, and in counterparts, each of which</p>

	counterpart shall be deemed to be an original, but all of which together shall constitute one document.
<b>Governing Law</b>	This Term Sheet shall be governed by and construed in accordance with the laws of the State of Wisconsin without giving effect to principles of conflicts-of-laws.