

City Of Torrington



ELINOR CARBONE
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TORRINGTON LANDFILL SOLAR PROJECT TERM SHEET

July 10, 2020

Peter Schmitt, Manager New Markets
United States Solar Corporation
100 North 6th Street, Suite 410B
Minneapolis, MN 55403

Dear Peter

We are writing to provide this term sheet on behalf of The City of Torrington to enter into an Option to Lease, Lease and Solar Easement (hereinafter "Agreement") with U S Solar Development LLC ("US Solar"), a Delaware limited liability company, to develop, construct, own and operate a solar energy conversion facility for the production of electricity upon the landfill property located at and known as: 105 Vista Drive (MBL: 235/001/012).

RECITALS

1. The City of Torrington is the owner of real property located at 105 Vista Drive (MBL: 235/001/012) in the City of Torrington, County of Litchfield, and State of Connecticut that is legally described in Exhibit A hereinafter referred to as (the "Lease Premises"). The real property is a landfill owned and operated by the City of Torrington.
2. US Solar is engaged in the business of developing, constructing, owning and operating solar energy conversion facilities for the production of electricity.
3. US Solar desires an option to, and upon the exercise of such option, in accordance with the terms set forth herein, shall lease and obtain certain easements and rights over the Lease Premises, all on the terms and conditions set forth herein.

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4. The City of Torrington desires to grant such option to and, upon US Solar's exercise of such option shall, lease and grant such easements and rights over the Lease Premises, all on the terms and conditions to be established in said Option to Lease, Lease and Solar Easement.

5. On July 6, 2020, The City of Torrington City Council (the "Council") voted unanimously to authorize the Mayor to execute a non-binding letter of intent; and scheduled a public hearing to be held on July 20, 2020 for the purpose of approving an Option to Lease, Lease and Solar Easement Agreement to be presented at said public hearing.

6. On July 20, 2020, immediately following the Public Hearing, City Council will take action on approval of the Option to Lease, Lease and Solar Easement Agreement.

Based on our preliminary review of the information provided and subject to the conditions set forth below, The City of Torrington is pleased to submit this term sheet to lease the Lease Premises subject to public hearing as required by law. This term sheet is issued under the following terms and conditions:

OPTION TO LEASE

For purposes of this Agreement, "Option Period" means the period beginning on the date of the execution of the Option to Lease, Lease and Solar Easement and ending on the first anniversary of the Effective Date. US Solar reserves the right to extend the Option period by such additional period of time as U. S. Solar Development may reasonably require to complete such Due Diligence Activities, but not to exceed an additional 2 years.

In consideration for the Option, US Solar shall pay to the City of Torrington the sum of Two Thousand (\$2,000) dollars annually during the Option Period.

During such Option Period, US Solar shall have the right to access the Lease Premises for the purpose of conducting "Due Diligence Activities" as follows:

- (i) Monitoring, testing, and assessing the Lease Premises for use as a solar photovoltaic energy generation site;
- (ii) Conducting such tests, analysis or feasibility studies as US Solar deems advisable, including measurement of sunlight or solar energy potential and other meteorological data
- (iii) Conducting environmental and suitability assessments of the Lease Premises including soil borings, wetlands assessment, and environmental impact and wildlife analyses.

- (iv) Conducting development siting and design activities and analysis of the Lease Premises, including conceptual design and layout for potential solar photovoltaic energy generation facility;
- (v) Commencing the permitting and application process related to such facility; and
- (vi) Conducting such other tests, analysis or studies as may be required by permitting agencies or as US Solar deems advisable.

The cost for all such Due Diligence Activities shall be the responsibility of US Solar and the rights to conduct said Due Diligence Activities on the Lease Premises during the Option Period shall be exclusive.

LEASE

US Solar may exercise the Option to Lease ("Option") in its sole discretion by delivering written notice to The City of Torrington at any time prior to the last day of the Option Period.

If US Solar exercises the Option set forth above, The City of Torrington shall lease to US Solar and US Solar shall lease from the City of Torrington the Lease Premises Property (the "Lease") for Solar Energy Purposes only. Said Lease term shall consist of two phases: (i) Construction Phase and (ii) Commercial Operation Phase.

In consideration for said lease, U. S. Solar Development shall pay The City of Torrington the following sums:

- (i) During the construction phase of the Lease Period, US Solar shall pay the City of Torrington an annual rent in an amount equal to Two Hundred Fifty (\$250) dollars per acre within the Lease Premises (paid quarterly, in advance), with the acreage determined after any adjustments to the size of the Lease Premises pursuant to the Due Diligence Activities.

- (ii) From and after the Commercial Operation Date, annual rent shall be equal to the greater of (a) \$15,000 or (b) \$2,500 per acre within the Lease Premises (paid quarterly, in advance) with the acreage determined after any adjustments to the size of the Lease Premises pursuant to the Due Diligence Activities.

If US Solar exercises the Option, then the term of the Lease shall commence on the date such written notice is received and shall continue until 11:59 pm on the twentieth (20) anniversary of the Commercial Operation Date. US Solar shall have the option, exercisable in its sole discretion, to extend the Initial Term of the Lease for four additional Five (5) year periods.

US Solar shall pay, when due, all real and personal property taxes and assessments levied against the Lease Premises.

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US Solar shall pay all personal property, production and other taxes and assessments levied against the Facility or its energy production when due, including any equipment with the Access Premises or Distribution Premises.

Neither party hereto may assign its rights or delegate its obligations under this Letter of Intent without prior written consent of the other party hereto, which consent may be granted or withheld in the sole and absolute discretion of the other party hereto.

This Letter of Intent may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together shall constitute one and the same document.

Very truly yours,



Elinor Carbone, Mayor

The foregoing is accepted and agreed to this ____ day of July, 2020.

US Solar Development LLC
Acting herein by:
Its: