TOWN OF TIMNATH, COLORADO  
RESOLUTION NO. 60, SERIES 2019  

A RESOLUTION APPROVING A LETTER OF INTENT TO ENTER INTO A SOLAR FARM LEASE  

WHEREAS, the Town Council of the Town of Timnath ("Town") pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and  

WHEREAS, the Town of Timnath will sign a Letter of Intent with Plains Edge Solar, LLC to enter into a long-term lease to provide a solar farm on property owned by the Town of Timnath should Plains Edge Solar be the successful proposer on a request for proposals issued by Platte River Power Authority; and  

WHEREAS, the property owned by the Town is located on the north and south sides of Highway 14 (Mulberry Street) and west of and abutting Weld County Road 15;  

WHEREAS, the lease would be for a term of 20 years with an option to extend to 35 years and would be for approximately up to 100 acres; and  

WHEREAS, the lease would require that Plains Edge Solar pay rent at the rate of $800 per acre per year with a 1% escalator per year. Years 1-10 would be prepaid to the Town on the execution of the lease. All subsequent years would be paid annually on the anniversary date of the lease; and  

WHEREAS, the Council's approval of this Resolution would allow for the Town Manager to sign the Letter of Intent on behalf of the Council should there be minor changes to the Letter of Intent after the approval and prior to submission of the proposal to Platte River Power Authority.  

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO:  

Section 1. Approval  

The Letter of Intent is hereby approved in substantially the form as attached hereto, subject to technical or otherwise non-substantive modifications, as deemed necessary by the Town Manager in consultation with the Town Planner, Engineer, Legal Counsel, and other applicable staff or consultants. The Town Manager may sign on behalf of the Town Council should there be any changes prior to submission of the RFP on 10/25/19.  

TOWN OF TIMNATH, COLORADO

Jill Grossman-Belisle, Mayor

ATTEST:

Milissa Peters-Garcia, CMC
Town Clerk
SOLAR LEASE LETTER OF INTENT
FOR
PLAINS EDGE SOLAR, LLC

Plains Edge Solar, LLC, a Delaware limited liability company ("Lessee"), is interested in pursuing a lease with the Town of Timnath, a Colorado public subdivision (the "Landowner"), for up to approximately 100 acres of property. This Solar Lease Letter of Intent ("Letter of Intent") summarizes the basic commercial terms and conditions that Lessee and the Landowner agree should be incorporated into a definitive lease agreement (the "Solar Lease Agreement"). Except as set forth below in the provisions related to Exclusive Dealing, and Confidentiality, this Letter of Intent does not constitute a binding agreement and the binding obligations of Lessee and Landowner will be contained in the executed Solar Lease Agreement.

Property:

Approximately up to 100 acres of property owned by Landowner with intent to be annexed to Timnath, Weld County, Colorado, including any easements, rights-of-way, benefits, privileges, air rights, tenements, hereditaments, rights and interests appurtenant thereto or otherwise benefiting such Property. The intent is to study the entire area and determine the most appropriate size for the project and where the best location is to place solar facilities. Prior to entering into the operating period, Landowner and Lessee shall work collaboratively to identify the specific location(s) that meet the needs of the Lessee and have the least impact on the future development of the property.

See Exhibit A for additional Property information.

Lease Purpose:

Lessee shall use and occupy the Property for solar energy purposes only.

Initial Term:

The Solar Lease Agreement shall be for an initial term commencing on the Effective Date of the Solar Lease Agreement and continuing until the date that is twenty (20) years from the Operating Period Commencement Date, unless extended or sooner terminated as provided in the Solar Lease Agreement. As used herein, the "Operating Period Commencement Date" means the date of execution of the Lease. Lessee shall have the right to terminate the Solar Lease Agreement at any time during the Term, upon providing the Landowner with thirty (30) days advance written notice. Lessee shall have the right to terminate the Solar Lease Agreement at any time prior to the commencement of construction of any of the above-referenced solar facilities, upon providing the Landowner with thirty (30) days advance written notice. In the event Lessee terminates the Solar Lease Agreement, any advanced lease payments made by Lessee to Landowner shall be forfeited by Lessee.

Extended Term:

Lessee shall have the right to extend the Initial Term on three (3) successive occasions, by periods of five (5) years, by providing written
notice to the Landowner no less than ninety (90) days prior to the expiration of the Initial Term.

**Condition Precedent** Landowner currently has a mortgage on the property. Before the lease is **To Lease Execution** executed, the following will need to occur:

1. Lessee will need to be successful in the Platte River Power Authority Power Purchase Agreement so that Lessee can prepay the lease payments and Landowner.
2. Lessee will prepay the lease payments for first ten-year term on the commencement date for said applicable term, with rent to be paid annually for years 11 onward.

**Operating Rent:** Beginning on the Operating Period Commencement Date and ending on the date that is thirty (35) years after the Operating Period Commencement Date, Lessee shall pay Landowner as rent each development year, in advance, the Applicable Amount Per Acre of land within the Property shown in the table below.

<table>
<thead>
<tr>
<th>Operating Year</th>
<th>Applicable Amount Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10</td>
<td>$800 per year, with a 1% annual escalator</td>
</tr>
<tr>
<td>11-20</td>
<td>Rent formula carried forward from year 10</td>
</tr>
<tr>
<td>21-25</td>
<td>Rent formula carried forward from year 20</td>
</tr>
<tr>
<td>26-30</td>
<td>Rent formula carried forward from years 25</td>
</tr>
<tr>
<td>31-35</td>
<td>Rent formula carried forward from years 30</td>
</tr>
</tbody>
</table>
**Decommissioning:** At the end of the Lease term, Lessee will decommission any facilities installed on the Property and, at the option of Landowner, return the Property to the substantially similar condition that was in as of the Effective Date.

**Taxes:**
After the Operating Period Commencement Date and for the remainder of the Term, Lessee will pay all real estate taxes and assessments, both general and special, levied and assessed against the Property.

**Easement:**
The Landowner and Lessee shall collaboratively work to identify the most appropriate locations and grant such easements as are necessary on any of Landowner's land other than the Property in order to provide access to the Property from public roads, and to allow Lessee to construct and maintain an underground transmission line, as needed.

**Assignment/Sale:**
Lessee shall have the right to assign its rights and obligations under the Lease Agreement to any Lessee affiliate, and to any party providing financing, and to qualified assignees whose net worth equals or exceeds that of the Lessee, and who have experience operating or owning utility scale solar power generation projects without Lessor's consent.

**Cooperation with Permitting:**
Throughout the Lease Term, Landowner shall reasonably cooperate with Lessee, in Lessee's due diligence investigation and Lessee's efforts to obtain any governmental approvals, permits or entitlements for the Premises at no cost to Lessor. The Lessor shall make commercially reasonable efforts to cooperate with Lessee to obtain a non-disturbance agreement, relocation agreement or other title curative agreement from any person or entity with a lien, encumbrance, mortgage, easement or other problematic exception to the Landowner's title and rights to the Property as requested by Lessee in order to facilitate development and financing of Lessee's solar energy project.

**Exclusive Dealing:**
For one hundred (180) days following the Landowner's acceptance of this Letter of Intent, neither the Landowner nor any of its agents or representatives shall solicit or enter into any negotiations, discussions, letters of intent or agreements, whether directly or indirectly, with any third party regarding leasing or selling any portion of the Property and/or obligating or otherwise affecting, encumbering or binding the Landowner or the Property in connection therewith. This Letter of Intent shall terminate on the earlier of (i) the date the Solar Lease Agreement is executed by the parties; or, (ii) on the one hundred-eightieth (180th) day after this Letter of Intent is countersigned by the Landowner, unless extended by written agreement of the parties.

**Confidentiality:**
To the extent authorized applicable law, the contents of this Letter of Intent will be confidential and neither party will disclose or permit the disclosure of any information regarding this term sheet except as required by law or
in connection with Lessee's efforts to obtain a power purchase agreement, interconnection agreement or entitlements for the project Lessee is contemplating developing on the Property, and provided that Lessee and the Landowner may disclose such contents to their respective, as applicable, board of directors, and necessary officers, employees, agents, representatives, consultants, attorneys, and advisers and prospective purchasers and lenders and their respective boards of directors and necessary officers, employees, agents, representatives, consultants, attorneys, and advisers upon the condition that such parties hold such contents in confidence. Landowner and Lessee acknowledge that the public disclosure of this Letter of Intent will cause substantive harm to the competitive position of Lessee.

Except for the provisions of the Paragraphs with the headings "Exclusive Dealing", and "Confidentiality" hereof, which are intended to be binding and legally enforceable, (i) this term sheet shall not create any legal rights or obligations between Lessee and the Landowner, (ii) it is intended that all legal rights and obligations of each of Lessee and the Landowner shall only be those which are as set forth in the fully-executed, Solar Lease Agreement, and (iii) neither party may rely on this term sheet as creating any legal obligation of any kind.

AGREED AND ACCEPTED AS OF 10/23/2019, 2019:

LESSEE:

PLAINS EDGE SOLAR, LLC

By: Christine Mikell

Name: Christine Mikell

Title: Manager

Town of Timnath

By: April D. Getchius

Name: April D. Getchius

Title: Town Manager
EXHIBIT A

Property Description
Town of Timnath
North Farm
152.37 acres

HIGHWAY 14

Town of Timnath
South Farm
141.50 acres

CR 15