



License Agreement
Ozarks Electric Cooperative

Contract Number _____

This License Agreement (Agreement) is made and entered into this _____ day of _____, 20____ by and between Ozarks Electric Cooperative Corporation, Inc., (Ozarks Electric), with its principal place of business at 3641 Wedington Drive, Fayetteville, Arkansas 72704, and its mailing address at P.O. Box 848, Fayetteville, Arkansas 72702, and the Member, identified as follows:

Member Name: _____

Account Number: _____

Street Address: _____

Service Address: _____

If different than street address

City: _____ State: _____ Zip Code: _____

Telephone Number: _____

Share Ownership

Subject to the terms and conditions set forth, Ozarks Electric hereby grants to the above mentioned Member _____ number of shares of the total production of Ozarks Natural Energy (O.N.E.). These shares shall be credited to the Member's account based on .0245% per share of the total production of O.N.E. on a per-month basis. Shares may only be purchased in single- or consecutively-numbered groups. The member will receive the share production credits allocated during the designated term to each of the following shares, identified by the following unique number(s):

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

O.N.E. is in service at Ozarks Electric's facility located in Springdale, Arkansas. Member acknowledges and agrees that Ozarks Electric will retain sole ownership, possession and control of the facility, and will have the exclusive right to maintain and operate. Member also acknowledges that Ozarks Electric may replace any equipment with any make, model, brand or type of equipment as Ozarks Electric may elect at its sole discretion.

Only metered residential and commercial accounts will be permitted to receive share output credit as part of this program. Non-metered and lighting accounts are not allowed to participate in the program. An Agreement with a Member will be required for each specific service location.

Consideration

As consideration for each share granted, the Member will:

- Pay Ozarks Electric the sum of **\$312.80** per share to receive .0245% of the total output of O.N.E. Share purchase price includes all applicable sales tax. Total shares available for purchase will be limited to 4,080 shares. The purchase price for each share will be calculated as follows: the original purchase price will be decreased at a level of 4% every year the program has been active.
- Surrender to Ozarks Electric, for Ozarks Electric's sole use, all Renewable Energy Credits associated with each share pursuant to this Agreement.

Terms

Each share shall be active after the enrollment period set forth by Ozarks Electric and will continue for 25 years or, if earlier, until the death of the Member, subject to early termination as provided in this Agreement.

Limited Purchase Quantity

Members can purchase shares of O.N.E. in quantities ranging from one (1) to 100. The amount purchased cannot exceed the total annual usage of the participating account.

In the event that credits from purchased shares exceed monthly usage, remaining credits may be carried over or credited to the following months' usage. If, from month-to-month, a credit is carried over, these credits shall remain until the end of the calendar year. At the end of the calendar year if any credits still remain, they will become property of Ozarks Electric.

Enrollment Termination

In the event that the participating Member decides to move locations or discontinue participation in the program, shares may be transferred to another active Ozarks Electric account, with advanced notice and permission from Ozarks Electric. It is the Member's responsibility to notify Ozarks Electric of such change in writing at least 30 days prior to the effective date of change. Shares may also be gifted or assigned to any commercial or residential account. Share credits may not exceed total consumption of the account to which they are transferred. Notification will include the following information:

1. Member's name and mailing address
2. Agreement number, number of shares to be transferred and share identification numbers
3. Current billed address
4. New billed address
5. The name of the individual or entity to whom Member is assigning this Agreement
6. Member's surrender of the Agreement; and
7. The effective date of such change or assignment

Unless the purchaser of shares of O.N.E. agrees to transfer the share credits to another approved address within Ozarks Electric's territory, the share credits will remain associated with the specific location listed in this Agreement, regardless of occupancy or ownership changes at that location. Separate forms (as made available by Ozarks Electric) must be completed to transfer location or ownership of share credits.

Share Buyout

The Member agrees that, at any time and at Ozarks Electric's sole discretion, Ozarks Electric may elect to repurchase the credits for one or more of the shares purchased by the Member, and the Member will sell these shares to Ozarks Electric pursuant to the terms as follows:

- Ozarks Electric will notify the member of Ozarks Electric's election to exercise its repurchase right at least 60 days prior to the purchase of Member-owned shares.
- In the event these shares are transferred to another Member, that subsequent Member will be eligible for repurchase.
- At such time as every share has been terminated, and Ozarks Electric has made all payments to Member, this Agreement will terminate and Ozarks Electric will have no further obligations to the Member.

Ozarks Electric Obligations

Ozarks Electric agrees to:

- Provide all maintenance for O.N.E. Ozarks Electric shall be responsible for ensuring that O.N.E. and each of its components meet all applicable codes, standards and regulatory requirements at the time of installation and throughout the term of this Agreement. In the event of equipment failure, Ozarks Electric will bring the equipment back to working order as quickly as possible. In the event damaged equipment may be disconnected from the grid or is otherwise not generating electric energy, the Member will not receive any output for production until O.N.E. is reconnected to the electrical grid.
- Acquire and maintain, at its sole cost, insurance for O.N.E. Ozarks Electric will be listed as the sole loss payee for such insurance. In the event part or the whole of O.N.E. is damaged beyond repair, Ozarks Electric may elect, at its sole discretion, to replace such parts or the whole solar array if deemed necessary.

Credits for Shares Owned

- During each monthly billing period, a credit payment will be provided to the member based on the actual energy produced by the member's purchased shares multiplied by an energy rate credit factor per kWh, determined as follows:

$A \times B \times C =$ Credit payment reflected on current monthly billing statement

A = Total energy output of the entire solar array facility for the prior month, as measured by appropriate metering devices divided by the total panels operating during the prior month

B = Energy rate credit factor in \$/kWh

C = The percentage of purchased shares owned by member

- The current Energy Rate Credit Factor to be applied through April 30, 2019 shall be \$0.04091 per kWh.
- The energy rate credit factor shall be adjusted annually, beginning with the February billing statement, to reflect changes in the wholesale cost of power that is included in the retail rates to the member. Following the initial period, the energy rate credit shall be determined as follows:

$$PRC \times (1 + (AWC \times PCP)) = \text{Current year energy rate credit in \$/kWh}$$

PRC = Prior year energy rate credit in \\$/kWh

AWC = Rolling five year average change in the average wholesale cost per kWh sold

PCP = $\frac{\text{(The total wholesale power cost for the previous five (5) calendar years)}}{\text{(The total operating revenue for the previous five (5) calendar years)}}$

- In the event the applicable service location associated with this Agreement is removed and/or not in service, Ozarks Electric will make every attempt to contact the member to determine where share credits can be transferred. During this time, the electricity produced by these panels will be provided to the utility grid system and utilized by the entire membership of Ozarks Electric. If after 30 days the Member listed in this Agreement cannot be located to determine where share credits should be applied, share credit values will become sole ownership of Ozarks Electric.
- In the event that credits for share ownership surpasses consumption of an assigned account, credits will be carried forward to Member's subsequent bills for this account. If at the end of the calendar year credits from shares of O.N.E. remain, these credits will become property of Ozarks Electric.

Governing Law/Jurisdiction/Venue

This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Arkansas, without regard to the principles of conflicts of laws thereof.

WITNESS WHEREOF, the parties have executed this Agreement as of the date written below.

Member Name (please print)

Member Signature

Date

OZARKS ELECTRIC COOPERATIVE CORPORATION REPRESENTATIVE

Name: _____

Title: _____