



**Mason PUD 1 Community Solar  
PROGRAM DESCRIPTION AND PARTICIPATION AGREEMENT**

Thank you for your interest in Mason County PUD No. 1's Community Solar Program ("Program"). Upon signing this Agreement, you agree to be bound by conditions of this Program, as outlined herein, including the accompanying terms and conditions (collectively the "Agreement"). This Agreement applies to your participation in the Community Solar Project, located on the PUD 1 warehouse at 21971 N. Highway 101 in Shelton, WA.

***Please verify your information, review the Agreement terms, and return the signed document to the following address. Please also initial the bottom of Exhibit A.***

**Mason PUD 1  
ATTN: Community Solar  
21971 N. Hwy 101  
Shelton, WA 98584**

**Participant Information:**

Customer Name: \_\_\_\_\_

Utility Account Number: \_\_\_\_\_

Service Address for the Utility Account Number listed above: \_\_\_\_\_

Email address: \_\_\_\_\_

Mailing Address (if different than above): \_\_\_\_\_

Telephone Number: \_\_\_\_\_

**Requested Participation Level (Must not exceed the total number of units pledged during registration):**

Community Solar Project: \_\_\_\_\_ Solar Units (maximum of 10 Solar Units per utility account)

**Total Number of Solar Units (Solar Units are \$100 each):**

The number of units cannot be changed once the Agreement is signed. If you have questions regarding your participation level, please call the PUD 1 Solar Department (360) 877-5249.

Total Enrollment Fee: \$ \_\_\_\_\_ (number of solar units at \$100 each)

**Payment is due in full by April 15, 2016.** Failure to make a payment by this due date will result in termination of this Agreement and Participant's loss of eligibility to participate in this Program.

Mason PUD 1 will accept payment for your solar units by phone, by mail, and in person.

*If paying by phone, sign, scan and email your Agreement to [solar@mason-pud1.org](mailto:solar@mason-pud1.org), then contact the Mason PUD 1 Solar Department to make payment arrangements at 360-877-5249.*

*If paying by mail, mail the Agreement along with your check for your Participation Fee to the address listed above.*

*If paying in person, return the Agreement to the Mason PUD 1 office located at 21971 N. Hwy 101 in Potlatch. Cash, check and credit card (Visa or MasterCard) will be accepted in office.*

*To simplify your process, we recommend coming directly to the PUD.*

**Please check the box below if applicable:**

- I plan to apply for a Washington State Production Incentive for solar energy generated by a separate solar system on my home or business (between now and 2020) \*please include the Mason PUD 1 account number where the system is located if different from above \_\_\_\_\_

Please note, the annual WA State Production Incentive is limited to a maximum of \$5,000.00 annually, per household. If you are collecting an incentive for an at-home solar system and also participating in PUD 1's Community Solar Program, the annual incentive for both systems (combined) is still limited to \$5,000.00. Mason PUD 1 will submit the WA State Production Incentive Form for all participating Community Solar Participants.

*If you have questions about this process, please call the Solar Department at (360) 877-5249 or email [solar@mason-pud1.org](mailto:solar@mason-pud1.org).*

#### **PROGRAM REGISTRATION & RANDOM DRAWING**

In February 2016, Mason PUD 1 will be notifying customers by direct mail of the opportunity to register for a random drawing. Because there is a limited amount of units available, a random drawing will be held to provide customers an equal opportunity to participate. To participate in the drawing, customers must enroll online at <http://www.solar.mason-pud1.org> by entering their general contact information and the amount of Solar Units they plan to purchase. If selected in the random drawing, a customer may purchase less Solar Units, but not more, than the amount they registered for. Customers who do not have access to the internet should call the PUD 1 Solar Department at (360) 877-5249, or visit the PUD 1 office for enrollment assistance. Customers may register to purchase up to 10 units. Only one request per household will be allowed to participate in the drawing, regardless of the number of qualifying accounts the customer has with Mason PUD 1. All entries must be submitted by 5:00 PM PST, Thursday, March 31, 2016.

If you need assistance accessing the online enrollment form, please call (360) 877-5249.

#### How does the random drawing work?

As soon as the online registration closes at 5:00 pm, Thursday, March 31, 2016, Mason PUD 1 will extract the list of customers that registered for the community solar project. Mason PUD 1 will perform a random reordering of the registration list. The 860 units available will be allocated to customers beginning at the top of the list until all units are allocated.

#### What if I am selected to purchase a unit(s) during the random drawing?

Customers who are selected to purchase unit(s) will be notified by email after the random drawing takes place and will be provided with a participation agreement (below) to be signed for the purchase of the units. The agreement will include the terms and conditions and total cost to purchase the unit(s). The signed agreement and payment in full must be returned to Mason PUD 1 by April 15, 2016. If your agreement and full payment are not returned by the 15th, the units will be reassigned to another eligible customer.

#### What happens if I am not selected in the random drawing?

Your name will remain on the list in the order established by the random reordering. If a customer who was selected for participation decides to withdraw from the current project, the next customer on the list will be offered the opportunity to participate. When is the Participation

Agreement due?

The signed participation agreement and full participation fee are due back to Mason PUD 1 by April 15, 2016. If your agreement is not returned, the units will be reassigned to another eligible customer.

Can I email my signed Participation Agreement back to Mason PUD 1?

Yes, we will accept signed and scanned copies of the participation agreement at [solar@mason-pud1.org](mailto:solar@mason-pud1.org). After sending the signed agreement, you must contact the Mason PUD 1 Solar Department at (360) 877-5249 to make payment arrangements.

**INCENTIVES & ENERGY CREDITS**

Generated Energy Credits:

The Generated Energy Credit will be applied to the participant's Mason PUD 1 account once per year. The credit will be issued to the participant's **December** PUD 1 bill, beginning in 2016. The credit will be issued each year as long as the Agreement is effective and the equipment in the selected Community Solar Project is operational. The credit may be reduced by Mason PUD 1 to pay for any unanticipated maintenance or repair costs of the Community Solar Project.

Projected WA State Production Incentive:

The annual WA State Production Incentives will be paid to the Participant once per year after the Utility receives the applicable tax credit from the State of Washington for this Program. The payment will be made annually between the months of August and December. No WA State Production Incentives will be paid for generated energy after June 30, 2020.

**Participant Acknowledgements, Authorizations and Warranties**

Participant expressly acknowledges, agrees to, authorizes, understands and warrants as follows:

- Enrollment is only open to Mason PUD 1 electric customers and is limited to 860 Solar Units. Participant must submit a signed Agreement to participate in the Program. Participation levels will be confirmed upon execution of the Agreement by Mason PUD 1.
- Participant warrants that they meet the Eligibility Requirements contained in Section 2 of the Terms and Conditions.
- Participant must be 18 years of age or older and have full power and authority to sign this Agreement.
- Participant has read and understands the risks and uncertainties identified in Exhibit A to this Agreement.
- Participant understands that the primary motivation for participation in this program is the personal consumption of renewable energy generated in Mason County and not the expectation of profit or as a financial investment.
- Participant understands that Mason PUD 1 receives Washington State Production Credits in the form of a tax credit from the State of Washington for the Program. The Utility's obligation to pay this incentive to the Participant is conditioned upon receipt of this tax credit from the state.
- Participant has not relied upon any advice from, or any information provided by, Mason PUD 1, or any of Mason PUD 1's employees, directors, agents or affiliates, as to the prudence of Participant's participation in the Project. Participant understands that any questions or concerns about available tax credits, tax benefits, tax liability, incentives, and any other attributes of Participant's participation in the Project and Program, or any term or condition in this Agreement should be raised with Participant's tax or legal advisers or the appropriate governmental agencies. Participant acknowledges that there are a wide variety of limitations on tax incentives and other governmental programs, many of which will affect a participant's right to receive benefits under the Program, and Participant assumes the risk of all known and unknown limitations that now exist, as well as any limitations or restrictions that might be imposed in the future.
- Participant understands as part of this Agreement that Mason PUD 1 is subject to compliance with the Washington State Public Records Act, Chapter 42.56, RCW, and that this Agreement and any and all public records that are created as a part of this Agreement and/or the Project, may be requested by and disclosed to any member of the public as required by the Public Records Act. By signing this Agreement, Participant acknowledges that public records may be created and disclosed to any third parties as required by law without further notice or consent.
- Participant has valid contact information listed in the section above. Mason PUD 1 correspondence in regards to the Project will be conducted primarily via email unless other arrangements are made, and Participant hereby consents to the delivery of all applicable notices under this Agreement by email, to the email address provided by Participant from time to time under this Agreement or as otherwise contained in Participant's account records with Mason PUD 1.
- Participant will generally receive confirmation of enrollment in the Program via e-mail within 10 business days of receipt of a completed Agreement.
- Participant hereby releases and shall defend, indemnify and hold harmless Mason PUD 1, its successors and assigns, and the

commissioners, directors, officers, employees and agents of Mason PUD 1 and its successors and assigns from any and all claims, losses, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) arising out of or in connection with any breach of this Agreement by Participant.

- Participant has read, accepts and agrees to be bound by the terms and conditions contained within this Agreement.

**PLEASE BE SURE TO INITIAL EXHIBIT A ON THE LAST PAGE.**

Participant Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**Request for Transfer of Solar Unit(s) – see section 7.1.2 below**

Please identify the Assignee for your Community Solar Units below. *(optional)*

Assignee Name: \_\_\_\_\_

Assignee Address: \_\_\_\_\_

Assignee Mason PUD 1 Account Number: \_\_\_\_\_

Participant Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Assignee Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Utility Approval:**

\_\_\_\_\_  
Signature

Name: Kristin Masteller, Project Manager

Title: Director of Employee & Public Relations

Date: \_\_\_\_\_

**MASON PUD 1 COMMUNITY SOLAR PROGRAM  
TERMS AND CONDITIONS**

**Section 1. Definitions**

- 1.1 “Annual Incentive Payment” means the monetary credit received by a Participant based on their enrollment in the Program. The total value of the Annual Incentive Payment shall be the sum of the Participant’s eligible Generated Energy Credits and their eligible WA State Production Incentive Credit, as explained in Section 5 and Section 6.
- 1.2 “Mason PUD 1” or “Utility” or “District” or “PUD 1” means Mason County Public Utility District No. 1.
- 1.3 “Community Solar Project” means the selected solar photovoltaic electricity generating facilities being developed by Mason PUD 1 on the roof of the PUD warehouse at 21971 N. Hwy 101 in Shelton (Potlatch), Washington.
- 1.4 “Electric Account” means the Participant’s active electric account with Mason PUD 1.
- 1.5 “Generation Credit” means a bill credit the Participant is eligible to receive on their Electric Account based on the amount of electric energy produced by that portion of the Community Solar Project(s) selected by the Participant. *See Section 6.1.*
- 1.6 “Participant” means the person identified in this Agreement as the individual who is authorized to participate in the Program under the terms and conditions set forth herein, or any individual that is an authorized Assignee, in accordance with Section 7.
- 1.7 “Party” or “Parties” means either the Participant or Mason PUD 1 or both collectively depending upon the context.
- 1.8 “Program” means the Community Solar Program operated by Mason PUD 1, under which this Agreement is structured.
- 1.9 “Service Address” means the real property location specified in this Agreement where the Participant receives electric service from Mason PUD 1.
- 2.0 “Solar Unit” means the intangible equivalent of a 1/10 portion of one solar panel in the Community Solar Program. (Approximately 26 watts)
- 2.1 “WA Investment Cost Recovery Incentive Rate” means the monetary rate for electricity production provided by the State of Washington’s Renewable Energy System Cost Recovery program as codified in Revised Code of Washington (RCW) Sections 82.16.110-140.
- 2.2 “Washington State Production Incentive Credits” means the amount paid by the Utility to the Participant based on the value of the tax credit the Utility receives (pursuant to RCW 82.16.110-140) for that portion of the Project attributed to the Participant’s Solar Units.

**Section 2. Eligibility**

Only Mason PUD 1 customers with metered Electric Accounts in good standing are eligible to enroll in the Program or to remain enrolled in the Program once accepted. Non-metered, industrial and lighting accounts are not allowed to participate in this Program.

**Section 3. Enrollment Fee**

Participant agrees to pay Mason PUD 1 a one-time Enrollment Fee of One Hundred Dollars (\$100.00) for each Solar Unit purchased by the Participant under the Program. Participant may not purchase more than 10 Solar Units in any community solar project developed by Mason PUD 1. In addition, the total 10 Solar Unit limit also applies collectively to other members in the Participants household at a specific Service Address.

#### Section 4. Term

Participation in the Program shall be effective upon Participant's payment of the Enrollment Fee and confirmation of enrollment by Mason PUD 1 on the date shown in the confirmation notice, which shall be emailed to the Participant. This Agreement shall continue until terminated as outlined herein or until the solar equipment upon which it is based is no longer functional (the Utility shall have the absolute discretion to determine if repairs are necessary or financially viable in the event that the solar equipment described in this Agreement malfunctions or is damaged).

This Agreement may be terminated by Mason PUD 1 for convenience at any time.

#### Section 5. Annual Incentive Payment(s)

In consideration of Participant's payment of the Enrollment Fee, and subject to all the terms and conditions set forth herein, the Participant shall receive the following financial benefits, which shall be an amount based on the eligible WA State Production Incentive Credits generated by the Solar Unit(s) purchased by the Participant under the Program. The Participant shall receive a WA State Production Incentive starting in 2016, which shall continue until the end of the WA State Production Incentive Credits currently set to expire on June 30, 2020. The participant shall also receive an annual Generated Energy Credit (starting in 2016) based on the amount of energy generated by the Solar Unit(s) purchased by the Participant under the Program.

- 5.1 The WA State Production Incentive Credits will be paid in the form of a check and shall be mailed to the Participant via USPS to the Service Address or designated mailing address provided if mail is not accepted at the service address.
- 5.2 The Generated Energy Credits will be paid in the form of a credit to the Participant's Utility Account.

#### Section 6. Calculation of the Annual Incentive Payment(s)

The Annual Incentive Payment shall be the sum of the value of the Generated Energy Credits and the WA State Production Incentive Credits that the Participant is eligible to receive under the Program. These amounts shall be calculated as follows:

- 6.1 The value of the Generated Energy Credits shall be determined by calculating the amount of kilowatt hours (kWh) produced by all the solar panels in the Community Solar Project for the given year, dividing that number by the number of total Solar Units for that project (to determine amount of generated power represented by each Solar Unit), then taking that number and multiplying it by the number of Solar Units purchased by the Participant in that Project (to calculate the amount of generated power represented by the Participant's Solar Units), then finally taking that number and multiplying it by Mason PUD 1's then current electrical rate. Mason PUD 1's rates are set by Mason PUD 1 Board of Commissioners and recorded by resolution. The Generated Energy Credit will be paid in the form of a credit to the Participant's Utility Account during the month of December, starting in 2016.
- 6.2 The value of the WA State Production Incentive Credits shall be determined by calculating the amount of kilowatt hours (kWh) produced by all the solar panels in the selected Community Solar Project for the given year, dividing that number by the number of total Solar Units for that project (to determine amount of generated power represented by each Solar Unit), then taking that number and multiplying it by the number of Solar Units purchased by the Participant in that project (to calculate the amount of generated power represented by the Participant's Solar Units), then finally taking that number and multiplying it by the WA Investment Cost Recovery Rate\* amount (currently \$1.08 per kWh produced).

The Utility's payment of the annual WA State Production Incentive Credit is condition upon the Utility receiving an equivalent tax credit from the State of Washington attributed to the power production represented by the Participant's Solar Units. \*\* This payment will be paid by check made out to the Participant and sent to the Service Address, or such other address identified by the Participant under this Agreement. Such payment shall be made between August and December of each year.

\*The WA Investment Cost Recovery Rate shall be determined by the State of Washington. Pursuant to RCW 82.16.110-140, the State of Washington plans to offer an Investment Cost Recovery Incentive to participants in

certain solar projects including utility-owned Community Solar Project(s) as defined in RCW 82.16.110(2)(a)(ii). While Mason PUD 1 has every reason to believe that these production incentives will be granted by the State of Washington to any eligible Participant, Mason PUD 1 makes NO representation or warranty, either express or implied, that the WA Investment Cost Recovery Incentive will be available or at what level it will be set.

\*\*Utilities in the State of Washington can pay production incentives to qualified solar-generating customers (including Community Solar participants) within their service territories and earn a tax credit equal to the cost of the payments. The tax credit that a utility may claim cannot exceed the greater of \$100,000 or 0.5% of the utility's taxable power sales. The tax credit available for Community Solar participants is capped at 25% of the 0.5% of the utility's taxable power sales. The incentive amount paid by a utility on behalf of the State may be proportionally reduced if requests for incentive payments exceed the tax credit cap available to that utility.

- 6.3 The Washington Administrative Code (WAC 458-20-273) dictates the rules for both the Community Solar and Customer Renewable Energy Generation incentives. The WAC sets an **applicant limit**. No individual, household, business, or local governmental entity is eligible for incentive payments of more than five thousand dollars per year. If two or more individuals are living together in one household with one customer account with the light and power business these individuals are in one household and will only receive one \$5,000 annual limit.
- 6.4 The amount of energy produced by the Project is determined each year on June 30th by measuring the power production from the project during the prior July 1st to June 30th period.

#### Section 7. **Transfer of Solar Unit(s)**

- 7.1 If Participant terminates his or her Electric Account to which the benefits under this Program have been assigned, all prospective rights and benefits associated with Participant's Solar Units shall revert to Mason PUD 1, unless Participant notifies Mason PUD 1 within sixty (60) days of such termination with a request to transfer the Solar Units. Upon such request, the Solar Units can be transferred to:
- 7.1.1 the same Participant at a new Service Address with a qualifying Mason PUD 1 Electric Account; OR
- 7.1.2 to the Participant's assignee that has a qualifying Mason PUD 1 Electric Account and meets eligibility requirements specified in Section 2. The Assignee will receive all prospective rights and benefits associated with the assigned Solar Unit(s), with the exception that they cannot transfer the Solar Unit(s).
- 7.2 Only ONE (1) transfer under Section 7.1.2 may be made during the Term of the Program.
- 7.3 If the Participant moves outside Mason PUD 1's service territory and the Solar Units are not transferred by the Participant pursuant to Section 7.1, the Agreement will terminate and the Participant's Solar Unit will revert back to Mason PUD 1. In the event that the Solar Units are transferred to an Assignee pursuant to Section 7.1, and that person later moves outside Mason PUD 1's service territory, the Agreement will terminate and their Solar Units will also revert to the Utility.

#### Section 8. **No Pledge of Solar Unit(s)**

Participant may NOT pledge or hypothecate the Solar Unit(s) as security for repayment of any purpose. Except as expressly provided in Section 7 of this Agreement, Participant may not assign, sell, gift, bequeath or otherwise transfer any rights in the Solar Unit(s) to any other individual or entity.

#### Section 9. **Participant Ownership of Environmental Attributes**

- 9.1 Mason PUD 1 will not certify the Community Solar Project or the environmental attributes generated by the system. Mason PUD 1 grants the ownership of environmental attributes of any kind, including renewable energy credits (RECs), which may be associated with the Participant's Solar Unit(s), to the Participant.
- 9.2 In addition to the limitation set forth in Section 8 above, Participant may not certify or transfer any environmental attributes generated by the Community Solar Project.

## Section 10. **Disclaimer of Warranties**

Participant acknowledges that, except to the extent specifically stated herein, Mason PUD 1 has NOT made any representation, warranty or promise with respect to any aspect of the performance, condition, value, risks or likelihood of success of the Program or the Solar Unit(s) enrolled to herein. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE SOLAR UNIT(S) ENROLLED IN BY THE PARTICIPANT ARE MADE AVAILABLE AS IS, WHERE IS, AND WITHOUT WARRANTY. ANY WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE.

**Under no circumstances shall any Participant have a right to receive damages, whether compensatory, exemplary or otherwise, and whether arising in contract, tort or by other legal theory, relating to this Agreement or the Program in an amount that exceeds the amount of his or her Participation Fee, REDUCED BY the amount of any Incentive Payments and Energy Credits actually received by such Participant. In connection with any claims asserted under this Agreement or otherwise in connection with the Program, Mason PUD 1 may, without derogation or limitation of any other defenses available to Mason PUD 1 and without waiver of any rights or claims Mason PUD 1 might otherwise have against any person, terminate this Agreement and the Participant's interest in the Project, and may pay, as the Participant's sole and exclusive remedy, an amount equal to the Participation Fee of such Participant, less the amount of any and all Incentive Payments and Energy Credits received by or payable to Participant for his or her participation in the Program from the date of this Agreement until the termination date.**

## Section 11. **No Effect on Electric Rates and Tariffs**

Nothing in this Agreement shall be deemed to alter, modify, or limit any rate, charge or condition of service (including any policies, fees, charges or assessments) established from time to time by Mason PUD 1 for electric service. All such rates, charges, or policies shall remain subject to change at any time by the Utility. Participant acknowledges and agrees that the Electric Account and accompanying bill to which the Annual Incentive Payment associated with the Participant's Solar Unit(s) shall be applied, shall reflect those rates and charges established or changed from time to time by Mason PUD 1. Enrollment in the Program shall not give Participant any increased or augmented right to contest or otherwise affect the determination of any rates or charges by Mason PUD 1 for electric services.

## Section 12. **Ownership of the Community Solar Project Equipment**

Mason PUD 1 will have sole ownership, possession, and control of the Community Solar Project and associated equipment, and will have the exclusive right to maintain and operate such equipment. Enrollment in the Program does not and shall not be construed to convey any right, title or interest in or to any portion of any property (tangible or intangible, real or personal) underlying or comprising any portion of the Community Solar Project or its associated equipment or improvements, or any equipment of Mason PUD 1.

## Section 13. **Access to Solar Equipment at the Community Solar Project**

Participant will not have access to the generating, interconnection, metering, data acquisition or other related solar equipment at the Community Solar Project for any purpose, without prior written approval of Mason PUD 1. Such access may be withheld or granted in Mason PUD 1's sole discretion.

## Section 14. **Force Majeure**

Neither Mason PUD 1 nor the Participant shall be liable for breach of this Agreement occasioned by any act of God, labor disturbance, act of the public enemy, war, act of terrorism, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the Party's reasonable control.

## Section 15. **Limitation of Liability**

**PARTICIPANT UNDERSTAND AND AGREES THAT UNDER NO CIRCUMSTANCES WILL MASON PUD 1 TOTAL LIABILITY TO PARTICIPANT FOR CLAIMS ARISING UNDER THIS AGREEMENT EXCEED THE AMOUNT OF PARTICIPANT'S ENROLLMENT FEE**



**REDUCED BY ANY ENERGY GENERATION CREDITS OR WA STATE PRODUCTION INCENTIVE CREDITS PAID TO PARTICIPANT UNDER THIS PROGRAM.**

**IN NO EVENT SHALL MASON PUD 1, ITS EMPLOYEES OR AGENTS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR DAMAGES FOR LOST PROFITS, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND REGARDLESS OF WHETHER MASON PUD 1 HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

**Section 16. Notices**

Except for the initial confirmation of enrollment, all notices, requests, consents, and other communications under this Agreement will be submitted by email for Mason PUD 1, as set forth herein, or the Participant's Service Address (unless a different mailing address is identified by Participant in this Agreement).

**Section 17. Binding Effect**

This Agreement shall be binding and inure to the benefit of the Participant and Mason PUD 1 and their permitted successors and assigns.

**Section 18. No Third Party Beneficiaries**

This Agreement is intended solely for the benefit of the Participant and Mason PUD 1. Nothing in this Agreement shall be construed to create any right or duty to, or standard of care with reference to, or any liability to, any person or business entity not a party to Agreement.

**Section 19. No Waiver**

Neither Party's failure to enforce any right or obligation with respect to any matter arising in connection with this Agreement shall not constitute a waiver as to that matter or any other matter. If a Party at any time waives its rights with respect to a default under this Agreement or any other matters arising in connection with this Agreement, the waiver shall not be effective unless it is set forth in a written notice signed by the waiving Party. A waiver with respect to one default or matter shall not be a waiver of any other default or matter.

**Section 20. Governing Law/Jurisdiction/Venue**

This Agreement shall be deemed to have been made in, and shall be construed under, the laws of the State of Washington, without regard to the principles of conflicts of laws thereof. The Parties acknowledge and agree that a court of competent jurisdiction located in Mason County, Washington shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement.

**Section 21. Entire Agreement**

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the Parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of both Parties.

**Exhibit A**  
**Risks and Uncertainties**  
**associated with an investment in the**  
**Community Solar Program**

Participation in the Mason PUD 1 Community Solar Program is accompanied by various risks and uncertainties that may diminish the value investors receive from the Project and that may make it more difficult to transfer one's investment for an amount equal to or greater than the amount invested, or at all. The known risks and uncertainties that may cause the benefits to fall short of those currently expected by Mason PUD 1's management are set forth in this Exhibit A, and persons considering participation in the Project should carefully consider these risks before making an investment decision. By agreeing to invest, each Participant will be representing to Mason PUD 1 that he or she has read and fully understands the risks described in this Exhibit. Further, the information presented in this Agreement and in all descriptions of the Program is accurate as of the date of this Agreement. Mason PUD 1 expressly disclaims any obligation to update or amend these disclosures or other materials at any time in the future to reflect ongoing events or further developments.

**The Project is not suitable for all customers, and the offering price has been determined arbitrarily.** The Program requires a Participation Fee of \$100. This price has been established by Mason PUD 1 based upon its estimate of allocable costs of the Project and the number of customers participating in the Program. Participant's ability to transfer his or her participation in the Project is highly limited, both because of the requirements that any participant must be a qualifying electric customer of Mason PUD 1 and because the persons who might benefit from participation in the Program are limited in both number and investment characteristics. Accordingly, Participants should not expect to be able to readily sell or liquidate their participation in the Project.

**Participants should be prepared to bear the risks of their investment for an indefinite period of time.** The units representing an investment in the Project may be transferred in accordance with certain contractual restrictions set forth in this Agreement. However, Mason PUD 1 is aware of no market for the participation interests, and for a variety of reasons, no market is likely to develop. The investment is unusual and programs of this type are not in widespread use. Therefore, Participants should recognize that in the event they need to sell the units, they may be unable to find a buyer, and there may be no readily determinable means to establish a market price or value. Further, a Participant is not permitted to pledge or hypothecate his or her units in the Project for any purpose. This circumstance is likely to limit a Participant's ability to resell the units at a price he or she would deem reasonable, or at all, or to achieve liquidity in the units by means of a loan against their value.

**Returns on an investment in the units are limited by the amount of power produced by the solar panels in an investor's unit.** A Participant's receipt of benefits from the Program will depend, among other things, upon the amount of power (measured in kilowatt-hours) generated by the solar power unit in which the investor has purchased units. The amount of power generated will, in turn, depend upon a wide variety of factors, including solar exposure, the efficiency and cleanliness of the panels, the success of Mason PUD 1 in managing the Project, the market (if any) for power generated by the Project, competition by the Project with other alternative energy projects or with conventional power generation projects, and technical and equipment failures that limit or eliminate the Project's ability to produce electrical power. Any occurrence of one or more of these factors may reduce the income available to Participants, which will reduce the amounts available for allocation among Participants in the Project.

**Events or conditions that affect the physical condition or operation of the solar panels that comprise the Project may reduce or eliminate the value of an investment in the Project.** The returns on an investment in the Project are dependent upon the continuing operation of the solar panels comprising the Project. Events that damage or destroy the panels, such as storms, seismic activity, vandalism, or ineffective management, may reduce or eliminate the Project's ability to generate power. Such events may reduce the benefits expected to be derived from the Project.

**Changes in law or regulation may adversely affect the value of the investment, the Production Incentive Credits or the Energy Generation Credits that are expected to be derived from an investment in the Project.** The Project is feasible largely, if not entirely, because federal and state alternative energy incentive programs reduce the cost of generating solar power and create a market for power produced from solar projects and other alternative energy programs. Changes in or termination of these incentives, or changes in law or regulation that make it more expensive to produce power from the Project, reduce the value of the power generated by the Project, may adversely affect the operating results of the Project, may reduce the benefits available to distribute to Participants, or both. Any such outcomes would reduce or eliminate the value of a Participant's investment returns and may reduce the value of a Participant's interest.

**Participants will not have the ability to change the manager of the Project or to control any aspect of the operation of the Project.** Participants will be dependent upon the management of Mason PUD 1 to promote the safe, effective and efficient operation of the Project. Participants will not, severally or collectively, have the ability to remove Mason PUD 1 as the manager of the Project even if they are unhappy with the results or if they believe Mason PUD 1 is not managing the Project well, or if they believe that another person or entity could manage the Project better or more effectively.

**Mason PUD 1 may terminate the Program, the Project or the Agreement at any time.** The Agreement permits Mason PUD 1 to terminate the Program or the Agreement at any time. In any such event, Mason PUD 1's liability is limited to a refund of the Participation Fee, less the amounts received in respect of any Washington State Production Incentive Credits and/or any Generated Energy Credits received by the Participant. Neither Mason PUD 1 nor any other person will be liable to a Participant for any additional amounts.

**The remedies Mason PUD 1 associated with the operation of the Project and the offer and sale of interests therein is strictly limited to a refund of the purchase price.** Under no circumstances may a Participant receive an award of damages associated with the investment in the units or the ownership or operation of the Project, receive damages or assert claims against Mason PUD 1 or its employees, directors or affiliates that exceed the value of the Participation Fee, less the amounts such investor has received in the form of Production Incentive Credits or Energy Generation Credits.

Initials