

**BEFORE THE PUBLIC SERVICE
COMMISSION OF MARYLAND**

IN THE MATTER OF THE APPLICATION OF *
CITIZENS UB SOLAR, LLC FOR A *
CERTIFICATE OF PUBLIC CONVENIENCE *
AND NECESSITY TO CONSTRUCT A 9.9 MW *
SOLAR PHOTOVOLTAIC GENERATING *
FACILITY IN THE TOWN OF UNION BRIDGE *
AND CARROLL COUNTY, MARYLAND *

Case No. 9483

* * * * *

**JOINT MOTION FOR APPROVAL OF AGREEMENT OF STIPULATION AND
SETTLEMENT**

Citizens UB Solar, LLC (the “Applicant”) and the Town of Union Bridge (the “Town”) (collectively the “Settling Parties”) respectfully request that the Public Service Commission of Maryland (the “Commission”): (1) approve the Stipulation and Settlement Agreement attached to this document as **Exhibit A** (the “Settlement”) in full settlement between the Settling Parties in this proceeding and (2) issue a Certificate of Public Convenience and Necessity (“CPCN”) for construction of the Citizens UB Solar Project (the “Project”) subject to the Settlement and licensing conditions proposed by the Power Plant Research Program (“PPRP”) and the Commission’s Technical Staff (“Staff”).

Background

On June 8, 2018, the Applicant filed its Petition for a CPCN and an accompanying Environmental Review Document (“ERD”) (collectively, the “Application”), which the Commission docketed as Case No. 9483 and delegated to the Public Utility Law Judge Division. The Application requested approval to construct a 9.9 MW AC solar photovoltaic facility in the

Town of Union Bridge and Carroll County. On July 5, 2018 the Town filed its Petition to Intervene, which was granted without objection at the July 12, 2018 prehearing conference.

After a suspension of the procedural schedule, on April 21, 2019 the Applicant submitted an Amended ERD reducing the Project's nameplate generating capacity to 8.172 MW AC and removing the Project from the Town except for a perimeter fence and access road. On July 3, 2019, the Town filed the Direct Testimony of the Hon. Perry L. Jones, Mayor of the Town of Union Bridge, and Edmund R. Cueman opposing the Project. On July 12, 2019, PPRP and Staff each filed Direct Testimony and proposed licensing conditions. On August 30, 2019, PPRP submitted supplemental testimony and revised conditions. Both PPRP and Staff supported issuance of a CPCN to the Applicant.

For the past several months, the Applicant and Town have engaged in settlement negotiations with the goal of reaching an agreement that would gain the Town's support and facilitate issuance of a CPCN to the Applicant. The Settling Parties are pleased to have reached such an agreement, thereby ending any opposition to the Project. Commission approval of this Proposed Settlement would end ongoing litigation in Case No. 9483 and allow for the construction of the Project under terms supported by both the Applicant and Town

Accordingly, the Applicant and Town jointly move that the Commission approve the Settlement set forth below and issue a CPCN to the Applicant:

Exhibit A

Stipulation and Settlement Agreement

This Settlement is entered into by and between Citizens UB Solar, LLC (the “Applicant”) and the Town of Union Bridge (the “Town”) (collectively the “Settling Parties”). The Settling Parties agree as follows:

I. Scope of Settlement

This Settlement shall resolve all issues that were raised or could have been raised in Case No. 9483 by the Settling Parties.

II. Terms

The terms of the Settlement between the Settling Parties are as follows:

1. Prior to the start of construction of the Project, the Applicant shall initiate the annexation of Tax Map 34; Parcel 102 (the “Project Parcel”) by the Town pursuant to Md. Local Government Article § 4-404. As part of the annexation process Town and Applicant shall enter into a recorded Annexation Agreement in a form substantially set forth in Appendix A attached hereto to acknowledge the Town’s standing policies on the provision of adequate public facilities on annexed land. The Applicant’s proposed use generates no present demand, however, if all or any part of the property is converted to other uses, the usual Town policies would apply.
2. The Applicant shall site a portion of the Citizens UB Solar Project (the “Project”) within the Industrial – Restricted zoning district currently within the Town consistent with the site map included as Appendix B to this

Settlement. The Application is hereby amended to reflect this site map. The generating capacity of this design remains at 8.172 MW AC.

3. Prior to the start of construction of Project, the Applicant and Town shall execute a Payment in Lieu of Taxes ("PILOT") agreement in the form attached hereto as Appendix C to this Settlement. The Applicant represents that the value of personal property used to calculate the payments contained in Appendix C to this Settlement was developed by the Applicant and presented to the Town in good faith based on the Applicant's experience in the market. The PILOT Agreement allows for an adjustment of payments in the event of a substantial replacement of Project equipment after the commencement of commercial operations.
4. Prior to the start of construction of the Project, the Applicant and Town shall execute a purchase option agreement that provides the Town the option to purchase, at fair market value at the time the purchase option agreement is executed, up to the entire portion of the Project Parcel zoned R-6000 and up to 2 acres of the Applicant's land zoned Conservation adjacent to the R-6000 zone for the construction of a wastewater treatment facility and/or stormwater management facility. The option to purchase land for stormwater management shall be assignable to Carroll County. The purchase option agreement shall be for 5 years starting on the commercial operation date of the Project.

5. Prior to the start of construction, and subject to the approval of the Town, the Applicant shall design and install a landscape buffer within the setback and outside the perimeter fence that will effectively screen, to a minimum 6 feet above ground level at planting and 30 feet at maturity, views of the Project. Except as may be waived by the Town, the buffer will mitigate views, to the extent practicable, from all adjacent public roads, residential properties, and cultural landmarks, and be consistent with buffer recommendations of the Maryland Historical Trust.
6. The Applicant shall reimburse the Town up to \$5,000.00 of the Town's documented, third-party expenses associated with the annexation under Section II.1 of this Settlement within thirty (30) days after the Town presents Applicant with each invoice therefor. The Town may request reimbursement of expenses in excess of \$5,000.00 from the Applicant in the event of unforeseen and extraordinary circumstances.
7. Within thirty (30) days hereafter for expenses already billed to Applicant, or thirty (30) days after the Town presents any future invoices therefor, the Applicant shall reimburse the Town for the legal and consulting fees incurred by the Town for the Town's participation in Case No. 9483 up to and including the date a Proposed Order issued in this proceeding approving this Settlement becomes a Final Order of the Commission. Following this date, and unless otherwise stated in this Settlement, the Applicant shall have no further obligations to reimburse the Town for its expenses associated with

Case No. 9483, provided however, that Applicant shall be responsible as in the ordinary course for future expenses, including legal and consulting, associated with site plan review..

8. The Settling Parties may not contest (1) the proposed licensing conditions filed by the Commission's Technical Staff in Case No. 9483 on July 12, 2019 or (2) the proposed licensing conditions filed by the Power Plant Research Program in Case No. 9483 on July 12, 2019, as modified by the Power Plant Research Program by filing on August 30, 2019 (collectively, the "Conditions"). The Town agrees to withdraw its opposition to the Project on the grounds of consistency with the Town's zoning and comprehensive plan, and public convenience and necessity, subject to the Terms of this Settlement and the Conditions.
9. The Settling Parties intend for this Settlement to settle all issues previously identified in this proceeding through testimony and motions in Case No. 9483 which may be subject to the Commission's jurisdiction. Nothing contained herein shall limit the Town's authority to review the site development plan for the Project in the ordinary course by its Planning Commission, provided however, that no conditions or restrictions shall be imposed which are inconsistent with the terms hereof.
10. This Settlement shall be effective immediately upon Commission approval.

III. General Provisions

11. This Settlement is being entered in to resolve the issues that are specifically addressed in this Settlement and raises by the Settling Parties with respect to issuance of a Certificate of Public Convenience of Necessity by the Commission for construction the Project. In presenting this Settlement, none of the Settling Parties shall be deemed to have approved, accepted, agreed, consented, or acquiesced to any regulatory principle or procedural principle, and none of the Settling Parties shall be prejudiced or bound in any manner by the terms of this Settlement (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforcement of the terms of this Settlement, except as otherwise expressly specified herein.
12. This Settlement has resulted from extensive negotiations and the terms hereof are interdependent. Notwithstanding any other provision of this Settlement, if the Commission does not approve this Settlement without material modification, then either or both of the Settling Parties shall have the right to declare this Settlement to be void in which case no signatory shall be bound by any of the agreements or provisions contained herein.
13. If the Commission does not unconditionally approve this Settlement without material modification, and it becomes void by operation of paragraph 12, neither this Settlement, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any signatory has for a decision in this matter. The Settling Parties shall retain all procedural and due process rights as fully as though this Settlement had not

been presented for approval, and any memoranda, testimony or exhibits that have been offered or received in support of this Settlement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

14. If the Commission accepts the specific terms of this Settlement without material modification, the Settling Parties waive, with respect to the issues resolved herein their respective rights to: (1) appeal the Proposed Order of Public Utility Law Judge; (2) seek rehearing; and (3) seek judicial review. These waivers apply only to a Commission order within the scope of this Settlement. This Settlement contains the entire agreement of the Settling Parties concerning the issues addressed herein.
15. This Settlement does not constitute a contract with the Commission. Acceptance of this Settlement by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative, or other power which the Commission presently has. Thus, nothing in this Settlement is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.
16. The Settling Parties agree to cooperate in presenting this Settlement to the Commission for approval, and will take no action, direct or indirect, in opposition to the request for approval of this Settlement.

WHEREFORE, for the foregoing reasons, the undersigned parties respectfully request that the Public Service Commission of Maryland enter an order granting this request and approving the Stipulation and Settlement Agreement contained herein.

ATTEST:

Dawn Metcalf

CITIZENS UB SOLAR, LLC

By: [Signature]

Counsel for Citizens UB Solar, LLC

ATTEST:

Dawn Metcalf
Dawn Metcalf, Clerk-Treasurer

TOWN OF UNION BRIDGE,
MARYLAND

By: [Signature]
Perry L. Jones, Jr., Mayor

(By authority of Union Bridge
Council Resolution adopted
October 28, 2019)
(Vote: 4-0)

APPENDIX A
ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT is made _____ this day of _____, 2019, by and between **THE TOWN OF UNION BRIDGE**, a municipal body corporate of the State of Maryland, hereinafter referred to as "Town", and **CITIZENS UB SOLAR, LLC**, a Massachusetts limited liability company, hereinafter referred to as "Owner".

WHEREAS, Owner owns land which adjoins the existing boundaries of The Town of Union Bridge and is desirous of annexing all of the property described herein below into the corporate limits of The Town of Union Bridge; and

WHEREAS, Owner has submitted a Petition to Annex and Town has introduced Annexation Resolution No. _____ pursuant to MD. CODE ANN., Local Government Article, Title 4, Subtitle 4 concerning the proposal to annex Owner's land; and

WHEREAS, Owner intends to use the subject property as a solar photovoltaic electric generating facility as approved by the Maryland Public Service Commission ("Solar Facility") which does not require public water, sewer or certain other public facilities associated with other types of land development, however, if all or any part of the annexed property is converted to other uses the parties seek to set forth certain

standards for such development; and

WHEREAS, the Town would not be willing to support or approve the desired annexation of the subject property without the provisions hereof.

NOW THEREFORE, in consideration of the mutual obligations, benefits and promises herein contained, the sufficiency of which is acknowledged by the parties, the Town and Owner hereby agree as follows:

1. DEFINITIONS. The terms described below shall mean the following when used in this Annexation Agreement:

a) Development - The engineering design, review, site plan or subdivision processing, use, and/or construction relating to the Property to commit all or any part of the Property in the future to uses other than the Solar Facility.

b) Final Approval - That stage in the annexation following the enactment of Resolution No. _____ by the Mayor and Town Council of Union Bridge thirty (30) days after either: (1) the Resolution has been upheld by referendum; or (2) the time for filing for referendum, has passed without such filing having occurred, as these items are defined in the Local Government Article of the Annotated Code of Maryland.

c) Petition - The pending JOINT PETITION FOR ANNEXATION AND ZONING filed by Owner with The Town of Union Bridge relating to the Property pursuant to which the Resolution was introduced on _____, 2019.

d) Property - The tract of land containing _____ acres of land, more or less, and any improvements thereon currently owned of record by Owner as described in Exhibit "A" attached hereto.

e) Resolution - Resolution _____ which was introduced by the Mayor and Town Council of Union Bridge on _____, 2019.

2. CONTINGENT UPON ANNEXATION - This Annexation Agreement is expressly contingent on the enactment of Resolution No. _____, being a Resolution of the Mayor and Council entitled "A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF UNION BRIDGE TO ENLARGE THE CORPORATE BOUNDARIES OF THE TOWN BY ANNEXATION OF _____ ACRES, MORE OR LESS" (hereinafter referred to as the "Resolution") and the approval thereof if petitioned to referendum. If for any reason final approval is not obtained, this Annexation Agreement shall become void ab initio and shall be of no force and effect as if it had never been executed. This Annexation Agreement is intended to be recorded among the Land Records of Carroll County at Owner's expense but not until after Final Approval.

3. LEGISLATION/REFERENDUM. The execution of this Annexation Agreement does not imply or guarantee legislative or voter approval or passage of the Petition or Resolution. This Annexation Agreement is made to provide for the event that Final Approval occurs, however, it shall in no way inhibit or affect the ability of the

Town or its officials from properly performing their legislative function.

4. APPLICABILITY. Upon Final Approval, the Property shall be subject to the terms and provisions of this Annexation Agreement.

5. TOWN OBLIGATIONS. Upon execution of this Agreement, Town agrees Town shall have prepared for consideration and adoption by the Union Bridge Town Council and signature by the Mayor of Union Bridge, the Resolution that incorporates the appropriate terms of the Petition and this Agreement to amend or establish zoning district(s) and maps consistent this Agreement. Town shall have provided Petitioners with copies of the Resolution for review and approval, which approval shall not be unreasonably withheld or delayed. Town shall prepare a proposed Annexation Plan which shall be submitted as part of the processing of the Annexation Resolution. Town shall make and publish all required notices, publications and conduct any required public hearings need for valid adoption/passage of the Annexation Resolution and zoning ordinance(s) by the Union Bridge Town Council. Notwithstanding the foregoing, the provisions hereof shall not obligate the Town to annex the Annexation Property and the Town is not committing or offering to commit to any particular legislative outcome through the drafting, negotiation, acceptance of the filing of this document signed by Petitioners or through the processing, advertising or consideration of the annexation petition set forth herein.

6. ZONING. Nothing contained herein shall exempt or relieve any Development from any zoning laws, adequate public facilities laws, concurrency management laws, or other laws, standards or regulations otherwise applicable to the Property as same may change from time to time, except as preempted by the Maryland Public Service Commission. The Town agrees that the annexed property will retain its industrial zoning classification and that the Solar Facility will constitute a permitted use upon issuance of a Certificate of Public Convenience and Necessity by the Maryland Public Service Commission. The Town agrees to timely process all required approvals. The Town will not unreasonably withhold or delay any required approvals.

7. ADEQUATE FACILITIES. If at any time any public facility, whether provided by the Town or others, is inadequate for any Development of the Property, Owner may, at Owner's cost, relieve the inadequacy or wait for relief from public capital improvement sources. However, Owner shall bring no action against Town, for injunction, damages or otherwise for the failure to deliver adequate facilities to the Property, it being understood that the Town has limited resources and its priorities for existing residents may preclude it from fulfilling the Development's needs for facilities. Upon any such Development proposal, Owner may be required to proportionately contribute to engineering studies, consulting fees or other Town initiatives to evaluate and provide adequate facilities for the Development in accordance with customary practices

applicable to other developments in Town.

8. COSTS. The Owner shall be responsible for the costs of all public improvements associated with any Development, including but not limited to, costs for the extension of sewerage and water lines, acquisition of off-site easements, roadways, curbs, gutters, sidewalks and other similar improvements. Understanding that the Town does not have the manpower or financial resources to review and process such Development and could not do so on its own, Owner agrees to be responsible to reimburse the Town, within thirty (30) days of payment, for any engineering consulting fees, planning consulting fees, inspection fees and attorney's fees incurred by the Town relating to such Development and as a result of the continuing oversight and review of all aspects of the Development. The Town shall notify the Owner of the nature of any consulting sought and the identity of the consultant prior to incurring fees; and Owner shall be entitled to a reasonable estimate of costs for any private consultant's review. The Town shall be free to retain any such consulting services as it deems necessary and appropriate to protect the interests of the Town.

9. NON-COMPREHENSIVE AGREEMENT. This Agreement reflects an understanding between the parties hereto concerning general matters relating to Development relating to the Property, if it occurs. This Annexation Agreement is not intended to be exhaustive of the duties and responsibilities of the Owner or Town in

connection with such Development. It is intended and expected that in the event of such Development additional details would be addressed from time to time as part of the ordinary development review process and public works agreements. This Annexation Agreement is not intended to limit or restrict the ordinary review authority or discretion of the Town to impose conditions on, or deny, certain aspects of Development as legally appropriate. Any prior negotiations, comments, plans or understandings not expressly set forth herein are of no further force and effect to the extent they may be inconsistent with the terms hereof.

10. BINDING AGREEMENT. This Agreement shall run with the Property and shall be binding upon Owner, its successors and assigns, and the Town, its successors and/or assigns. The parties consent to jurisdiction in the Circuit Court for Carroll County in the event of an irreconcilable dispute and further consent to the entry of injunctive relief by said Court to resolve any such difference. In any suit arising hereunder or for the recovery of costs referenced herein, the prevailing party shall be entitled to an award of costs, including reasonable attorney's fees, court costs and expert witness fees, from the Court in an amount deemed appropriate by the Court under the circumstances.

11. AMENDMENT. This Annexation Agreement may be amended only by vote of the Town Council of Union Bridge pursuant to its then prevailing voting procedures with the consent of the Owner. Any amendment shall be recorded among the

Land Records of Carroll County.

The parties hereto by their signatures below agree to be bound by the terms of this Agreement.

ATTEST:

CITIZENS UB SOLAR, LLC

By: _____ (SEAL)

ATTEST:

THE TOWN OF UNION BRIDGE:

DAWN METCALF
Town Clerk-Treasurer

PERRY L. JONES, JR., Mayor (SEAL)

APPROVED AS TO
LEGAL SUFFICIENCY:

HOLLMAN, MAGUIRE, TITUS, KORZENIEWSKI
& LUZURIAGA, CHARTERED
TOWN ATTORNEYS

By: _____
John T. Maguire

STATE OF _____, _____ COUNTY: To Wit:

I HEREBY CERTIFY that on this _____ day of _____, 2019, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared _____, Authorized Member of CITIZENS UB SOLAR, LLC, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

AS WITNESS, my hand and notarial seal.

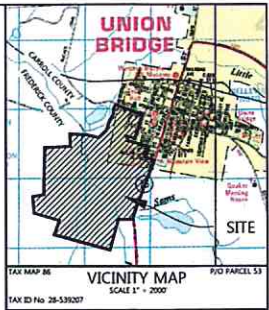
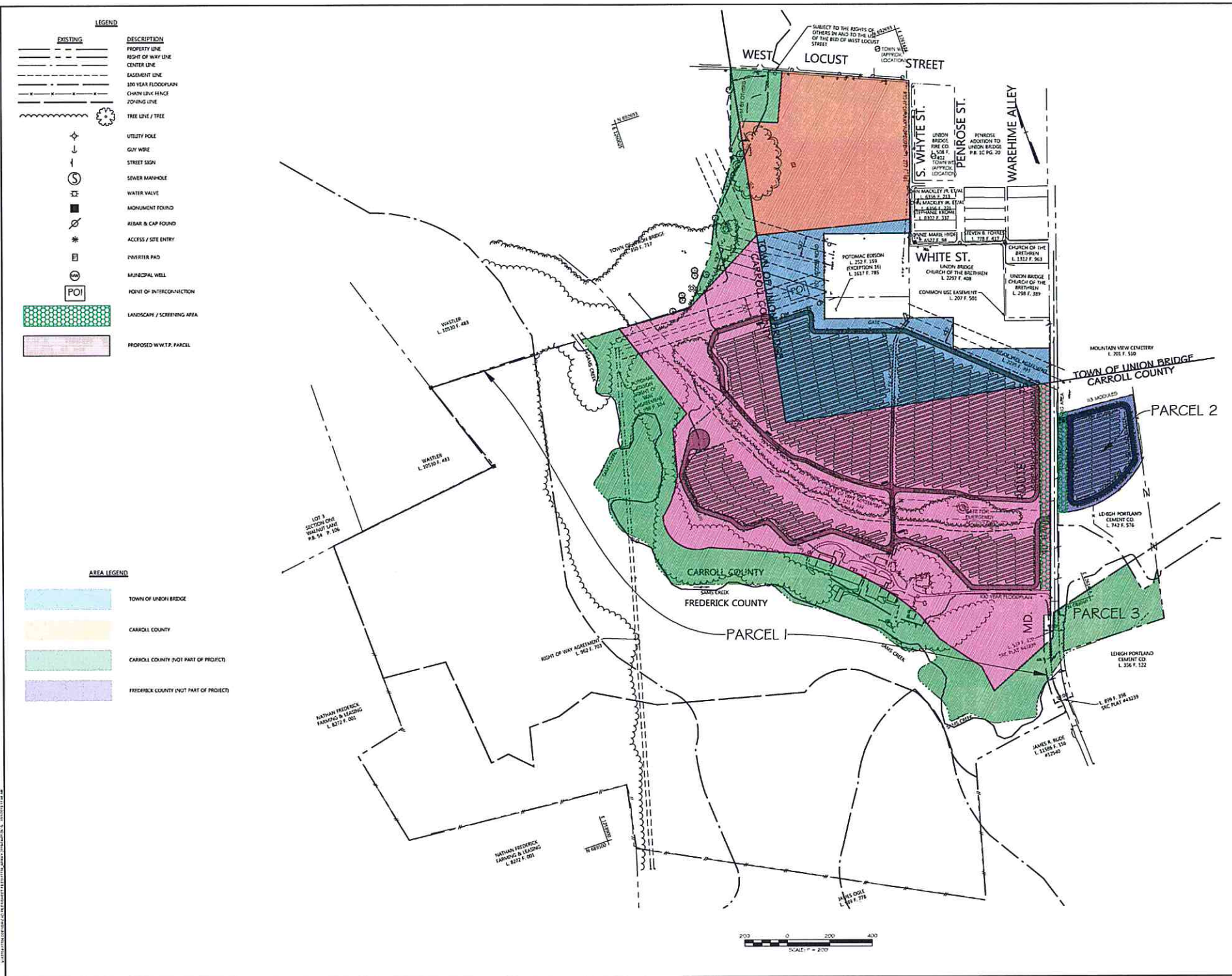
Notary Public
My Commission Expires:

STATE OF MARYLAND, CARROLL COUNTY: To Wit:

I HEREBY CERTIFY that on this _____ day of _____, 2019 before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared PERRY L. JONES, JR., Mayor of The Town of Union Bridge, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

AS WITNESS, my hand and notarial seal.


Notary Public
My Commission Expires:



NOTE - THE PROPERTY SHOWN HEREON IS ALL PART OF ONE RECORDED PARCEL, AND IS RECORDED IN THE MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AS SUCH. THE PARCELS LABELED HEREON ARE SOLELY TO IDENTIFY AREAS INVOLVED BY PUBLIC RIGHT OF WAY.

AREA TABLE		
Description	Total Acres	Area to be Annexed
Total Property Area	195.015	
Tax Map 86, Parcel 53 (per ALTA survey)		
Parcel 1 (West of Main St.)	186.782	
Parcel 2 (East of Main St.)	3.854	
Parcel 3 (East of Main St.) *	4.379	
total	195.015	
Municipality		
Frederick County *	100.240	-
Carroll County (parcel 1 & 2)	63.899	63.899
Carroll County (parcel 3) *	4.379	-
Town of Union Bridge	26.497	-
total	195.015	63.899
Proposed WWTP Area		
Carroll County	0.3	0.3
Town of Union Bridge	4.7	-
total	5.0	0.3
Area to be used for project		
Parcel 1 (West of Main St.)	46.456	
Parcel 2 (East of Main St.)	3.854	
Parcel 3 (East of Main St.) *	-	
total	50.310	

* - Area not used for project



DAVE M. WALKER, INC.

820 NORTH EAST STREET
FREDERICK, MD 21701
P: 301.696.9040 WWW.DMW.COM

UNION BRIDGE SOLAR

PROPERTY AREA EXHIBIT

516 GREEN VALLEY ROAD
UNION BRIDGE, MD 21791

12 ELECTION DISTRICT

CARROLL COUNTY, MARYLAND

SEAL

DATE	BY	REVISIONS

ISSUE DATES	BASE:
REVIEW: 11/11/2020	DRAWN: JSC
DESIGNED: MJC	DESIGNED: MJC
PERMIT: 11/11/2020	CHECKED BY: MJC
CONSTRUCTION: 11/11/2020	DATE CHECKED: 11/11/2020
SCALE: 1" = 200'	DRAWING: 1 of 1
PROJECT NO: 17703	

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PAYMENT IN LIEU OF TAXES AGREEMENT

This Payment in Lieu of Taxes Agreement (this "Agreement") is entered into this ___ day of _____, 2019 by and between Citizens UB Solar, LLC, a limited liability company duly organized and validly existing under the laws of the State of Massachusetts and authorized to do business in the State of Maryland (the "Owner") and the Town of Union Bridge, a municipal corporation in the State of Maryland (the "Town") (together, the Owner and the Town are referred to herein as the "Parties").

WHEREAS, the Parties have entered into that certain Joint Motion for Approval of Agreement of Stipulation and Settlement, dated _____, 2019 (the "Settlement Agreement") regarding the Owner's construction and operation of a 8.172 MW AC solar photovoltaic facility located in the Town of Union Bridge, Carroll County, Maryland (the "Project");

WHEREAS, in exchange for various actions to be taken by the Owner under the Settlement Agreement, the Town has agreed to end any opposition to the Project and provide its support for the issuance of a Certificate of Public Convenience and Necessity to the Owner regarding the Project;

WHEREAS, one of the requirements under the Settlement Agreement is that, prior to the construction of the Project, the Parties execute a Payment in Lieu of Taxes agreement (a "PILOT Agreement") that provides for yearly payments of personal property tax in the amounts contained in a schedule attached to the Agreement, which such schedule is attached hereto as **Exhibit A**;

WHEREAS, Section 7-514(a)(1) of the Tax-Property Article of the Annotated Code of Maryland (the "PILOT Statute") provides that the governing body of a county or a municipal corporation may enter into an agreement with the owner of a facility for the generation of electricity that is located or locates in the county for a negotiated payment by the owner in lieu of taxes on the facility;

WHEREAS, the PILOT Statute further provides that an agreement for a negotiated payment in lieu of taxes shall provide that, for the term specified in the agreement, the owner shall pay to the county or municipal corporation a specified amount each year in lieu of the payment of county or municipal corporation personal property tax, and all or a specified part of the personal property at the facility shall be exempt from county or municipal corporation property tax for the term of the agreement;

WHEREAS, the Parties seek to enter into, for a specified term, a PILOT agreement such that the Owner shall pay a specified amount each tax year in lieu of the payment personal property taxes that would otherwise be due and payable to the Town, and that all of the personal property at the Project shall be exempt from all Town property taxes;

WHEREAS, this Agreement was authorized, approved and adopted by the Town [by **passage of** _____] and pursuant to the authority granted in the PILOT Statute, the Town has authorized the Mayor of the Town to enter into this Agreement; and

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WHEREAS, the Agreement was authorized, approved and adopted by the Owner in accordance with its operating agreement and Owner has authorized its [**manager**] to enter into this Agreement.

NOW, THEREFORE, for consideration the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree and covenant as follows:

1. **PILOT Payment Amounts.** Beginning upon the commencement of commercial operations of the Project and continuing for thirty (30) years, provided that the Owner continues to own and operate the Project (the "**Term**"), the Owner shall make the payments to the Town as set forth on **Exhibit A** hereto (the "**PILOT Payments**"). The attached Exhibit A is an interim exhibit that will be updated using the actual valuation figure of the Project once available. The Town shall issue a bill to the Owner for the PILOT Payments by June 1 of each year during the Term and to the extent that the Owner has timely received said bill, each PILOT Payment shall be due no later than July 1 of each applicable year.

2. **Adjustment of PILOT Payments.** In the event that the Owner replaces a substantial portion of the equipment comprising the Project during the Term, the Parties agree to negotiate in good faith to adjust the PILOT Payments remaining under the Term to take into account of the cost of such new equipment.

3. **Tax-Exempt Status of Project.** During the Term, and provided that the Owner timely pays all PILOT Payments, all property located at the Project shall be deemed exempt from all Town personal property taxes.

4. **Representations and Warranties.**

A. The Owner represents and warrants to the Town that:

- (i) The Owner is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Massachusetts and is registered and qualified to do business in the State of Maryland;
- (ii) The Owner is authorized to enter into this Agreement and the transactions contemplated hereby, and to fully perform all of its obligations hereunder, and all requirements have been met, and procedures have occurred, in order to ensure the enforceability of this Agreement;
- (iii) The execution, delivery and performance of this Agreement by the Owner will not result in a breach of, default under or violation of any law, regulation, ordinance, administrative decree, order or agreement to which the Owner is subject or bound; and
- (iv) There is no action, suit, or proceeding, at law or equity, or official investigation before or by any governmental authority pending or, to its knowledge, threatened against it, wherein an anticipated decision, ruling, or finding would result in a material adverse effect on its ability to perform its

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obligations under this Agreement or on the validity or enforceability of this Agreement.

B. The Town represents and warrants to the Owner that:

- (i) The Town is a municipal corporation located in the State of Maryland.
- (ii) The Town is authorized to enter into this Agreement and the transactions contemplated hereby, and to fully perform all of its obligations hereunder, and all requirements have been met, and procedures have occurred, in order to ensure the enforceability of this Agreement;
- (iii) This Agreement has been authorized and adopted by the Town by _____;
- (iv) The execution, delivery and performance of this Agreement by the Town will not result in a breach of, default under or violation of any law, regulation, ordinance, administrative decree, order or agreement to which the Town is subject or bound; and
- (v) There is no action, suit, or proceeding, at law or equity, or official investigation before or by any governmental authority pending or, to its knowledge, threatened against it, wherein an anticipated decision, ruling, or finding would result in a material adverse effect on its ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

5. **Attachment of Resolutions/Consents.** Attached hereto as **Exhibit B** is the written consent of the [manager] of the Owner authorizing _____ to execute this Agreement. Attached hereto as **Exhibit C** is the [resolution] of the Town authorizing the Mayor of the Town to execute this Agreement.

6. **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Owner.

7. **Complete Agreement.** This Agreement constitutes the complete and exclusive statement of the agreement among the parties hereto as to the tax matters addressed herein. This Agreement supersedes all prior written and oral statements.

8. **Limitations.** This Agreement is limited to personal property reasonable associated with the Project. If all or part of the property is converted to other uses over time, then the other uses may be removed from the Agreement and taxed in the ordinary course under Maryland law.

9. **Further Assurances.** From time to time and at any time at and after the execution of this Agreement, each Party shall execute, acknowledge and deliver such documents and assurances, reasonably requested by the other and shall take any other action consistent with the terms of this Agreement that may be reasonably requested by the other for the purpose of effecting or confirming any of the transactions contemplated by this Agreement.

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10. **Good Faith.** All rights, duties and obligations established by this Agreement shall be exercised in good faith and in a commercially reasonable manner.

11. **Mutual Benefits.** The Town acknowledges that this Agreement is beneficial to it because it will result in steady, predictable, and reasonable payments from the Owner. The Owner acknowledges that this Agreement is beneficial to it because it provides predictability and certainty with respect to the taxation of the Project.

12. **Default.** All rights and remedies as would otherwise be available upon default in payment of regular taxes in the event of Owner's default in payment under the Agreement are reserved hereby unto the Town.

13. **Counterparts/Electronic Signatures.** This Agreement may be executed in one or more counterparts all of which shall together constitute one and the same instrument. This Agreement may also be executed by facsimile or electronic signatures.

14. **Applicable Law.** All questions concerning the construction, validity, and interpretation of this Agreement, and the performance of the obligations imposed by this Agreement, shall be governed by the internal law, not the law of conflicts, of the State of Maryland.

(Signature Page Follows)

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

ATTEST

THE TOWN OF UNION BRIDGE

Dawn Metcalf, Clerk-Treasurer

By: _____
Perry L. Jones, Jr., Mayor

STATE OF MARYLAND
COUNTY OF CARROLL to-wit:

On this ___ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to within the instrument and acknowledged that he executed the same for the purpose therein contained.

In witness hereof I hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

CITIZENS UB SOLAR, LLC

By: _____
Name: _____
Title: _____

STATE OF MARYLAND
COUNTY OF CARROLL to-wit:

On this ___ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to within the instrument and acknowledged that he executed the same for the purpose therein contained.

In witness hereof I hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

DRAFT

EXHIBIT A

Schedule of PILOT Payments

Exhibit A
PILOT - Citizens/Union Bridge

Citizens UB Solar, LLC PILOT Calculations
8/12/2019

Including land in Town

Total Project Size DC
Cost Per Watt
Total Project Cost
PILOT Amount Per MW DC
PILOT Amount

10 MW
0.65 \$/W
6,500,000
Percent of Project in UB
Percent of Project in Carroll County
Tax Rate UB

100%
100%
0.0075

Equipment Cost Breakdown
Panels
Racking
Inverters
Transformers
Other Equipment
Total

0.39
0.08
0.06
0.02
0.10
0.65

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	30 Yr TOTAL
Percent Good	100.00%	96.67%	93.33%	90.00%	86.67%	83.33%	80.00%	76.67%	73.33%	70.00%	66.67%	63.33%	60.00%	56.67%	53.33%	50.00%	46.67%	43.33%	40.00%	36.67%	33.33%	30.00%	26.67%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
Adjusted % Good	100.00%	100.00%	100.00%	100.00%	86.67%	86.67%	86.67%	86.67%	73.33%	73.33%	73.33%	73.33%	60.00%	60.00%	60.00%	60.00%	46.67%	46.67%	46.67%	46.67%	33.33%	33.33%	33.33%	33.33%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
Project Value	\$6,500,000	\$6,283,333	\$6,066,667	\$5,850,000	\$5,633,333	\$5,416,667	\$5,200,000	\$4,983,333	\$4,766,667	\$4,550,000	\$4,333,333	\$4,116,667	\$3,900,000	\$3,683,333	\$3,466,667	\$3,250,000	\$3,033,333	\$2,816,667	\$2,600,000	\$2,383,333	\$2,166,667	\$1,950,000	\$1,733,333	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	
Adjusted Project Value	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$5,633,333	\$5,633,333	\$5,633,333	\$5,633,333	\$4,766,667	\$4,766,667	\$4,766,667	\$4,766,667	\$3,900,000	\$3,900,000	\$3,900,000	\$3,900,000	\$3,033,333	\$3,033,333	\$3,033,333	\$3,033,333	\$2,166,667	\$2,166,667	\$2,166,667	\$2,166,667	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	
Assessed Value (50%)	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000	\$2,816,667	\$2,816,667	\$2,816,667	\$2,816,667	\$2,383,333	\$2,383,333	\$2,383,333	\$2,383,333	\$2,383,333	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000	\$1,516,667	\$1,516,667	\$1,516,667	\$1,516,667	\$1,083,333	\$1,083,333	\$1,083,333	\$1,083,333	\$812,500	\$812,500	\$812,500	\$812,500	\$812,500	
Assessed Value in UB	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000	\$2,816,667	\$2,816,667	\$2,816,667	\$2,816,667	\$2,383,333	\$2,383,333	\$2,383,333	\$2,383,333	\$2,383,333	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000	\$1,516,667	\$1,516,667	\$1,516,667	\$1,516,667	\$1,083,333	\$1,083,333	\$1,083,333	\$1,083,333	\$812,500	\$812,500	\$812,500	\$812,500	\$812,500	
UB Tax Rate	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	0.00750	
Personal Property Due UB	\$24,375	\$24,375	\$24,375	\$24,375	\$21,125	\$21,125	\$21,125	\$21,125	\$17,875	\$17,875	\$17,875	\$17,875	\$17,875	\$14,625	\$14,625	\$14,625	\$14,625	\$11,375	\$11,375	\$11,375	\$11,375	\$8,125	\$8,125	\$8,125	\$8,125	\$6,094	\$6,094	\$6,094	\$6,094	\$6,094	\$357,500

DRAFT

EXHIBIT B

Written Consent of Owner

DRAFT

EXHIBIT C

[Resolution] of Town