

# OPERATING AGREEMENT

for Member Managed  
Southshire Community Solar LLC

## INTRODUCTION

This Operating Agreement (“Agreement”) is made and entered into by and between Southshire Community Solar LLC (“Company”) and the undersigned as an initial member (“Member”) of Southshire Community Solar as set forth in Business Purpose and Members herewith.

The undersigned hereby adopt the following Agreement and, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, and intended to be legally bound hereby, the undersigned parties agree as follows:

## BACKGROUND

- a. The parties are organizing and operating a limited liability company subject to the conditions in this Agreement, in order to manage a net metered community solar electric facility (“Facility”).
- b. The Members own the Facility pursuant to the conditions of this Agreement.
- c. The Facility is intended to offset Members’ electric bill and reduce carbon emissions from the State of Vermont.
- d. The parties have agreed to make certain payments to the Company in order to pay for the Facility’s operating expenses.

## ARTICLE I. ORGANIZATION

Name: The name of the Company is Southshire Community Solar LLC.

Formation: Southshire Community Solar LLC was granted Articles of Organization as a Limited Liability Company by the Office of Secretary of State, State of Vermont, effective July 1, 2015. The rights and obligations of the Members and Southshire Community Solar LLC shall be as provided under the Articles of Organization and this Agreement.

Principal Office: The principal office of Southshire Community Solar LLC shall be such address as may be designated from time to time by its members or their representative officers.

Purpose of Formation: Southshire Community Solar LLC is organized to develop, install, operate, and manage the solar array and to do any and all things necessary, convenient, or incidental to that purpose.

Initial registered agent and office: The name and address of the initial registered agent of

Southshire Community Solar LLC shall be Jerry Byrd, 160 Brambley Lane, Bennington, VT 05201.

## ARTICLE II. BUSINESS PURPOSE

Business Purpose: The purpose of Southshire Community Solar LLC is to serve as an entity that represents the common interests of the members of Southshire Community Solar LLC in managing certain administrative and financial matters on their behalf in connection with their separate acquisition of solar panels from Power Guru LLC of North Bennington, Vermont, or another company.

Such solar panels are part of a community scale solar photovoltaic array (the “PROJECT”) in which participants separately purchase and own their solar panels and, upon becoming members of Southshire Community Solar LLC, are also entitled to a percentage share of the production from the system’s solar array, net of allocable expenses. Initial members of Southshire Community Solar LLC are those who buy into a system of solar panels and its components, including installation, permitting and monitoring from Power Guru. The electricity production of the solar panels in the PROJECT is fed into the Green Mountain Power (“UTILITY”) grid and Green Mountain Power issues credits on a pro-rata basis to owners’ meters via net metering to offset owners’ electric use. The solar photovoltaic system may be installed as a single project or as multiple projects extending the initial installation at a single location selected by the members of the LLC.

Members of Southshire Community Solar LLC, as part of the cost of initial members’ purchase of a “turnkey” system of solar panels and components from Power Guru, also own a percentage share of a certain solar panel array in the PROJECT, the electrical production from which is fed into the Green Mountain Power grid and Green Mountain Power issues credits via net metering to the landowner of the PROJECT site as land lease payments for use of the site.

## ARTICLE III. MEMBERS

Members: Members of Southshire Community Solar LLC are owners of solar panels in the PROJECT.

Initial Members: The names, addresses, and emails of the initial members are listed in Exhibit D.

Liability of Members: No Member shall be liable, responsible, or accountable, in damages or otherwise, to any other Member or to the Southshire Community Solar LLC for any act performed by the Member with respect to Company matters, except for fraud, gross negligence, or an intentional breach of this Agreement.

The Company and each Member shall each defend, save harmless, and indemnify the other from and against any claim, proceeding (whether legal or administrative), and expenses that are related to this Agreement and that are (i) caused by an act or omission of the indemnifying party or (ii) sustained on or caused by equipment or facilities, or the

use thereof, that the indemnifying party owns or controls.

Each party agrees to waive any claim against the other for indirect, incidental, consequential, or punitive damages, and neither party shall be liable to the other for or as a result of any proceeding in which rates are reviewed or established for either party by the Public Service Board or similarly authorized entity. In no event shall Southshire Community Solar LLC be liable under this Agreement if the Facility fails to generate electricity or Net Metering Credits, as a result of Southshire Community Solar LLC failing to obtain or maintain any necessary permit, license or governmental approval, or for any error or omission in any filing or instructions submitted by or on behalf of Southshire Community Solar LLC, when acting as the Administrator of the Group Net Metering Arrangement to the utility or any governmental entity.

The debts, obligations, and liabilities of Southshire Community Solar LLC, a limited liability company, are solely the debts, obligations, and liabilities of Southshire Community Solar LLC. A member or manager is not personally liable for any debt, obligation or liability of Southshire Community Solar LLC solely by reason of being or acting as a member or manager. (Vermont Statutes Annotated, Title 11 Section 3043(a-b)).

#### ARTICLE IV. MANAGEMENT

Member Managed: Southshire Community Solar LLC will be a member-managed limited liability corporation. As such, the management of Southshire Community Solar LLC will be vested in the members pursuant to 11 V.S.A. § 3054(a). Each member has equal rights in the management and conduct of Southshire Community Solar's business, and any matter relating to the business of Southshire Community Solar LLC may be decided by a majority of the members. Each member will have one (1) vote regardless of the number of panels owned.

General Powers: Members, acting together on behalf of Southshire Community Solar LLC, shall have full, exclusive, and complete discretion, power, and authority, subject in all cases to the other provisions of this Agreement and the requirements of applicable law, to manage, control, administer, and operate the business and affairs of Southshire Community Solar LLC for the purposes herein stated, and to make all decisions affecting such business and affairs, including, without limitation, the power to:

- a. Enter into contract with the landowner of 697 Buck Hill Road in Shaftsbury, Vermont, or another property, for hosting the site of the PROJECT.
- b. Contract for liability and casualty insurance on the PROJECT.
- c. Administer the payment of applicable state or other tax obligations on the PROJECT.
- d. Administer the collection from members of annual operating expense fees and the payment of such amounts due for tax, insurance, maintenance, service and other operating costs of the PROJECT.

- e. Coordinate net metering and other arrangements with Green Mountain Power.

Representative Management: Members shall appoint a board of officers to serve as their representative management and the following provisions shall apply:

- a. **Officers**: The officers shall act in the name of Southshire Community Solar LLC and shall supervise its operation under the direction and management of the members, as further described below. The officers of Southshire Community Solar initially shall consist of a registered agent who is the presiding officer pro-tem, a treasurer, and a secretary, and/or other officers or agents as may be elected and appointed by the members.
- b. **Election and term of office**: The officers of Southshire Community Solar LLC shall be elected annually for one-year terms by the members by a majority vote. The members of Southshire Community Solar LLC shall have the right to replace the officers of the Company at any time during the year in the event of the relocation, illness, or death of an officer, or for any reason that may come up, for the term determined and by a majority vote.
- c. **Authority**: The initial registered agent, treasurer, and secretary may act for and on behalf of Southshire Community Solar LLC and shall have the power and authority to bind Southshire Community Solar LLC in all transaction and business dealings of any kind except as otherwise provided in this Agreement.
- d. **Treasurer**: The treasurer shall be the chief financial officer of Southshire Community Solar LLC. The treasurer shall not be required to give a bond for the faithful discharge of his/her duties. The treasurer shall: (i) have charge and custody of and be responsible for all funds and securities of Southshire Community Solar LLC; (ii) receive and give receipts for moneys due and payable to Southshire Community Solar LLC from any source whatsoever, and deposit all such moneys in the name of Southshire Community Solar LLC in such banks, trust companies, or other depositories as shall be authorized by members of Southshire Community Solar LLC; (iii) administer the collection from members of annual operating expense fees and the payment of such amounts due for tax, insurance, maintenance, service, and other operating costs; and (iv) in general perform such other duties as from time to time may be assigned by the members.
- e. **Secretary**: The secretary shall: (i) be custodian of Southshire Community Solar LLC records; (ii) keep a register of name and addresses of members; (iii) administer net metering arrangements with Green Mountain Power; and (iv) in general perform such other duties as from time to time may be assigned by the members.

## ARTICLE V. CONTRIBUTIONS, PROFITS & LOSSES, AND DISTRIBUTIONS

Contributions and interest of members: Members shall make no initial capital contribution to Southshire Community Solar. Members' only contributions to Southshire Community Solar LLC are periodic contributions for operating expenses, all of which will be paid out to third-party vendors. Members will own only a pro-rata percentage interest of such contributions, net of expenses. Each member purchases and owns solar panels separately and independently from the Company. Southshire Community Solar LLC has no ownership interest in its members' solar panels or in such panels' electricity productions or net metering credits. Southshire Community Solar LLC exists as a separate legal entity solely to represent the common interests of the members in managing certain administrative or financial matters on their behalf in connection with their acquisition of solar panels in the PROJECT.

Allocation of Net Metering Credits to Landowner: For purposes of this Agreement, Members agree to allocate five percent (5%) of the total electric revenue of the PROJECT, in the form of net metering credits, to the Owner of the PROJECT site as payment for the use of the site. Such net metering credits shall be credited to Owner's Green Mountain Power Account, or any successive account designated by the Owner. Any amount in excess of the Owner's account's or successive account's annual Green Mountain Power bill, based on their usage known at the time of the construction of the PROJECT shall be remitted to the Owner in the form of a monthly payment to the Owner.

Profits & Losses, and Distributions: Southshire Community Solar LLC will have no assets, other than contributions that are made from time to time by members in respect of expenses. Operations of Southshire Community Solar LLC are administrative in nature and are expected to be managed at a near-zero profit. Because the Company shall not hold any capital or interest there will be no distributions of moneys to the members.

Tax Status and Tax Credits: Southshire Community Solar LLC shall have pass-through taxation allowing company profits to be taxed at individual rates. Any tax credits of Southshire Community Solar LLC shall be allocated to the members in proportion to their Percentage Interests as explained in the Allocation Instruction (Exhibit "C").

Operating Expenses and Annual Fees: Members are responsible for those expenses associated to liability and casualty insurance, state and municipal tax, maintenance and service, and other such expenses in connection with members' ownership of solar panels in the PROJECT.

Members shall pay an annual operations expense fee for such expenses in such amount as may be determined from year to year by the treasurer. The treasurer shall also have the discretion and right to assess for unexpected or additional expenses during the year, should they occur, for any reason and as needed.

The annual operations expense fee and any additional expenses shall be pro-rated to members according to members' ownership share of the PROJECT. Members operating expenses are due and payable as determined by Southshire Community Solar. Members have sixty (60) days to make any required payment after request therefor. After sixty days Southshire Community Solar

LLC shall have the right, among other remedies, and without any further demand to the member, to direct Green Mountain Power to halt net metering credits to such member and to reallocate them to Southshire Community Solar LLC until the member is brought current.

#### ARTICLE VI. VOTING; CONSENT TO ACTION

Voting by members: Members shall be entitled to one vote on all matters, which provide for a vote of the members, regardless of the number of panels owned. Each member has equal rights in the management and conduct of Southshire Community Solar LLC business, and any matter relating to the business of the company may be decided by a majority of the members.

Meetings – General and Special: The Members shall hold general meetings from time to time throughout the year to be determined by members. Such general meetings shall serve as a time to discuss matters related to the Facility. The date of the last meeting for any given year must be within six (6) months of the end of the fiscal year.

Upon Member request and subject to majority vote, special meetings may be called in the interval between general meetings. If approved, the secretary shall provide written notice of the meeting not less than 15 days nor more than 30 days before the meeting. The notice shall set the time, place and purpose of the meeting.

Meetings – written consent: Action of the members or officers may be accomplished with or without a meeting. If a meeting is held, evidence of the action shall be by minutes or resolution reflecting the action of the meeting, signed by a majority of the members, or the secretary or such officer who may be designated. Action without a meeting may be evidenced by written consents signed by a majority of the members, or the secretary or such officer who may be designated.

#### ARTICLE VII. ASSIGNMENT OF MEMBERSHIP INTERESTS

Solar Energy Environmental Attributes: A net metered customer (“Net Metered Customer”) for the purposes of this Section, is defined as a Vermont electric consumer who receives net metered energy from the Facility, including the Tenants and Owner.

Each Net Metered Customer shall own and retain the environmental attributes of their net metered energy produced by the Facility and shall have all rights to make any green or renewable energy claims in regards to their net metered energy. Net Metered Customers shall not unbundle or separately sell the environmental attributes, including any renewable energy credits (RECs) or certificates, from the net-metered electricity.

Assignment of Membership Interests: A member may assign, transfer or sell his/her bundled interest in his/her solar panels in whole or in part to a qualified third party in Green Mountain Power utility territory.

Termination of Membership: Membership in Southshire Community Solar LLC terminates and there are no further rights and obligations of the member under the Articles of Organization of

Southshire Community Solar LLC and this Agreement upon the occurrence of the assignment, transfer, or sale of all of a member's interest in solar panels in the PROJECT to a qualified third party.

Member Default: In the event that a member defaults on his/her loan agreement with a financial institution resulting in foreclosure of the member's solar panels, the financial institution shall take possession and ownership of said membership including the solar panels and have the right to assign or sell his/her ownership share (the foreclosed solar panels) to a qualified party.

Event of Default: With respect to any Member, a Member who fails to make any payment on the date such payment is due, and such failure continues for a period of [sixty (60)] days after the applicable due date, shall be considered to be in Default with respect to this Agreement.

Upon Default of this Agreement, the defaulting Member shall relinquish all rights to net metering credits. Defaulting Member's net metering credits shall be distributed to any other member of the Company in exchange for payment of Defaulting Member's owed payment. Defaulting Member's net metering credits shall be redistributed for such a period of time as the defaulting Member remains delinquent with regard to the payment due. The Secretary shall notify Green Mountain Power of the new allocation schedule for disbursement of net metering credits.

Succession Members: The assignment, transfer, or sale of a member's interest in his/her solar panels in and of itself entitles the assignee, transferee or purchaser to become a member in Southshire Community Solar LLC, with all the rights and obligations of the member under the Articles of Organization of Southshire Community Solar LLC and this Agreement. The assignment, transfer, or sale of a member's interest in their solar panels is subject to the following conditions:

- a. The Transferee is an existing customer of Green Mountain Power;
- b. The Transferee gives Southshire Community Solar LLC its meter information;
- c. The Transferor gives the current Members the right to approve assignment, transfer, or sale of member's interest in their solar panels to the new member (Right of First Refusal).

Responsibility in Assignment: Responsibility in the assignment, transfer, or sale of a member's interest in his/her solar panels is the sole responsibility of the member and not the Southshire Community Solar LLC. The sole responsibility of Southshire Community Solar LLC in the assignment of interest or ownership of a member's panels is, upon notice of such transfer of ownership by member, to notify Green Mountain Power of the change in credits to owners' meters via net metering.

## ARTICLE VIII. DISPUTE RESOLUTION

The parties shall negotiate any breach or dispute ("Dispute") arising out of this Agreement. If the Dispute is not resolved through negotiation within thirty (30) days, it is hereby agreed that the

dispute shall be submitted to binding arbitration in accordance with the rules then prevailing of the American Arbitration Association. The arbitrator's decision shall be final and binding, and judgment may be entered thereon. The cost of any such arbitration shall be paid as determined by the arbitrators. The judgment rendered by the arbitrators may be entered into any court of competent jurisdiction.

ARTICLE IX. ADDITIONAL PROVISIONS

In witness whereof, all members will sign and be bound to the terms of this agreement.

Member

By: \_\_\_\_\_

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

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



**Exhibit “A”**  
**Definitions**

Capitalized terms used herein but not otherwise defined shall have the following meanings:

“Member” shall have the meaning given in the introductory paragraph to this Agreement.

“Member Meters” means all electricity Meters of the Member that are identified as a Member Meter in Exhibit “C.” unless the Member and the Company agree to include additional meters.

“Commissioning Date” means the date on which the Facility begins delivery of electricity to the Utility.

“Facility” shall have the meaning given to such term in the Background and shall include all equipment, facilities, and materials, including photovoltaic arrays, DC/AC inverters, wiring, and other components included therein. The System excludes any part of the Members existing electrical systems that are owned or leased, operated, maintained, and controlled by the Member, and interconnected with the Utility.

“Net Metering” means measuring the difference between the electricity supplied to a customer and the electricity fed back by a net metering system during the customer’s billing period.

“Net Metered Customer” means a retail electric consumer who uses a net metering system.

“Output” means all of the electricity the Facility produces, delivered to the Utility and allocated to the Member Meters, measured in kilowatt hours.

“Owner” means the owner of the land upon which the PROJECT is sited.

“Renewable Energy Credits (REC)” means all “tradeable renewable energy credits” as defined in 30 V.S.A. § 8002(8) associated with a single unit of energy that the Facility generates.

“Services” means any and all of the services the Company provides the Member pursuant to this Agreement.

“Site” means any and all real property in which the Company installs and constructs the Facility.

“Turnkey” means that the Developer will install and construct the Facility such that upon completion the Facility will be generating electricity and Net Metering Credits.

“Utility” means the retail electric company serving the Member. The Utility is currently Green Mountain Power.

**Exhibit “B”**  
**Description of Solar Generation Facility**

The solar generation Facility consists of an array of photovoltaic panels with a facility-rated output of up to 75kW AC and ground mounted on a fixed ground mounted rack facility located in the field owned by Curtis Merrow, north of his residence at 697 Buck Hill Rd, Shaftsbury, VT.

**Exhibit “C”**  
**Allocation Instructions**

The Company shall instruct the Utility to allocate credits for the kilowatt hours of electricity the Facility generates each month to the Meters set forth below:

The Members of the Company agree that [five percent (5%)] of the total electric output of the Facility will be credited to Owner’s Green Mountain Power Account as payment for use of Facility site in the form of net metering credits. Each Member’s percentage allocation will equal the following:

(Members kW/total kW capacity of the Project)

The Member and the Company may agree to add meters. The Utility shall allocate KWh on a percentage basis to each group member account.

**Company Meter:**

Member No.	Account Name - Last	Account Name - First	Green Mountain Power Account #	Panel Allocation	kW Allocation	System % Allocation
1	Merrow	Curt	08879200007	13.6	4.488	5%
2	Jenkins	Jeanette	13569200002	7	2.310	2.57353%
3	Krautheim	Lucinda	40700300003	20	6.600	7.35294%
4	Lambert	Susan	30579200004	11	3.630	4.04412%
5	Lierman	Bruce	07600300003	13	4.290	4.77941%
6	Mangsen	Cindy	03489200000	8	2.640	2.94118%
7	Mangsen	Sandra	59530300009	10	3.300	3.67647%
8	Marr	Tim	08759200002	15	4.950	5.51471%
9	McGuinness	Mary	00700063753	9	2.970	3.30882%
10	Nitta	Bhima	03994030000	60.4	19.932	22.20588%
11	Pelletier	Rose-Marie	64299200002	11	3.630	4.04412%
12	Putney	Chuck	56369200003	12	3.960	4.41176%
13	Schaeffer	Jane	00070010798	26	8.535	9.50853%
14	Schaeffer	Jane	00070054599	14	4.665	5.19735%
15	Simpson	Marc	74400300005	11	3.630	4.04412%
16	Sternberg	Peter	44699200000	15	4.950	5.51471%
17	U U Fellowship of Bennington		18120300001	10	3.300	3.67647%
18	Wood	Edward	38520300005	6	1.980	2.20588%

\* The first line of this allocation schedule should be designated to the Owner of the PROJECT site at 5% of total output.

Upon the reasonable request of the Company, the Member shall designate such additional Member Meters to the foregoing list to the extent reasonably necessary to ensure that the total annual consumption of all the Member Meters included in the group exceeds 100,000 kWh.

**Exhibit “D”**  
**Initial Membership**

Member No.	Account Name - Last	Account Name - First	Account Contact Email	Account Phone	Account Address
1	Merrow	Curt	curtismerrow@yahoo.com	802-384-3873	697 Buck Hill Rd, Shaftsbury, VT 05262
2	Jenkins	Jeanette	jeanette.jenkins@ccv.edu	802-442-7235	100 Booth Terrace, Bennington, VT 05201
3	Krautheim	Lucinda	ckrautheim@msn.com	802-442-6979	2047 East Rd, Bennington VT 05201
4	Lambert	Susan	smglambert@comcast.net	802-4470184	13 West St, N. Bennington VT 05257
5	Lierman	Bruce	liermans@comcast.net	802-447-2553	11 Prospect St, N. Bennington, VT 05257
6	Mangsen	Cindy	cindymangsen@comcast.net	802-442-6846	PO Box 147, N. Bennington 05257
7	Mangsen	Sandra	smangsen@comcast.net	802-681-7210	10 School St, N. Bennington, VT 05257
8	Marr	Tim	hauptmarr@comcast.net	802-442-3469	202 Weeks St, Bennington, VT 05201
9	McGuinness	Mary	mcmcgui@comcast.net	802-442-5908	140 Convent Ave., Bennington, VT 05201
10	Nitta	Bhima	bhima@power-guru.com	802-379-9973	535 VT Rte 67W, Shaftsbury, VT 05262
11	Pelletier	Rose-Marie	rosepell10@gmail.com	802-681-3692	1127 Cedar Hill Rd, Pownal, VT 05261
12	Putney	Chuck	crputney@comcast.net	802-442-8829	834 Dermody Rd, Bennington VT 05201
13	Schaeffer	Jane	janeschaeffer@gmail.com	802-447-0393	395 Overlea Rd., Bennington VT 05201
14	Schaeffer	Jane	janeschaeffer@gmail.com	802-447-0393	395 Overlea Rd., Bennington VT 05201
15	Simpson	Marc	marc.simpson27@gmail	802-442-3992	120 Grandview St, Bennington, VT 05201
16	Sternberg	Peter	plstern@sover.net	802-770-4962	1954 Cider Mill Rd, Shaftsbury, VT 05262
17	U U Fellowship of Bennington		liermans@comcast.net	802-447-2553	106 School St, Bennington, VT 05201
18	Wood	Edward	nedandavery@comcast.net	802-733-8013	10 Bank St, N. Bennington, VT 05201