

**Duck River Electric Membership  
Solar Farm, L.P.  
Limited Partnership Agreement**

Agreement of limited partnership (the “Agreement”) made August 27, 2012, Between Duck River Electric Membership Corporation (“DREMC”), with its principal place of business at 1411 Madison St. Shelbyville, TN, and its mailing address at P.O. Box 89, Shelbyville, TN 37162, (herein referred to as the “General Partner,”) and members of DREMC (the “Members”) who, subject to the terms and conditions of this Agreement, choose to obtain an interest in the partnership formed under this Agreement by entering into a Subscription Agreement, (herein referred to as “Limited Partners.”)

**Recitals:**

WHEREAS, the General and limited partners desire to enter into the business of operation of a solar farm (the “Business ;”)

WHEREAS, the General Partner desires to manage and operate the Business;

WHEREAS, the DREMC’s Members may enter into a Subscription Agreement, more fully described herein, with the Partnership and limit their liabilities;

WHEREAS, the Business shall have TWO HUNDRED and SIXTEEN (216) units of interest in the solar farm available for purchase by the Members;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

**1. General Provisions**

The limited partnership is organized pursuant to the provisions of the Tennessee Revised Uniform Limited Partnership Act, and the rights and liabilities of the General and Limited Partners shall be as provided therein, except as herein otherwise expressly stated.

**2. Name of Partnership**

The name of the partnership shall be Duck River Electric Membership Solar Farm, L.P. (herein referred to as the “Partnership.”)

**3. General Partner and Limited Partners**

As the General Partner, DREMC shall have full management responsibility and control the day-to-day operations and management of the Partnership. As Limited Partners, the Members cannot incur obligations on behalf of the Partnership and do not participate in the day-to-day

operations and management of the Partnership.

#### **4. Business of Partnership**

The purpose of the partnership is to engage in the business of operation of a solar farm.

#### **5. Principal Place of Business**

The principal place of business of the Partnership shall be at 1411 Madison St. Shelbyville, TN. The Partnership may also have other places of business as from time to time shall be determined by the General Partner.

#### **6. Capital Contribution of General Partner**

The General Partner shall contribute ONE HUNDRED and TWENTY EIGHT THOUSAND FOUR HUNDRED and SIXTY-SEVEN DOLLARS (\$128,467) to the original capital of the Partnership. The contribution of the General Partner shall be made on or before August 27, 2012. If the General Partner does not make its entire contribution to the capital of the Partnership on or before that date, this Agreement shall be void. Any contributions to the capital of the Partnership made at that time shall be returned to the partners who have made the contributions.

#### **7. Capital Contributions of Limited Partners**

The capital contributions of the Limited Partners shall be as follows:

At the time of this Agreement, DREMC will have TWO HUNDRED and SIXTEEN limited partnership units.

The Partnership will have TWO HUNDRED and SIXTEEN (216) Units of Limited Partnership Interest (the "Units") available for purchase by the Members through subscription agreements. The Members may obtain an interest in the Partnership by contributing SIX HUNDRED DOLLARS (\$600) per subscription agreement. The term of the interest in the Partnership (the "Term") shall end on August 27, 2032.

During the Term, subscribing Members will receive a production panel credit ("PPC") on the invoice for electricity provided by DREMC at the billing address, located within DREMC's service territory of the Subscribing Member. Only metered residential and commercial accounts will be eligible to receive the PPC. Non-metered and lighting accounts are not eligible to enroll in the program. The PPC will be calculated for each Subscribing Member by dividing the total monthly production of the solar farm by the Units of Interest in the Solar Farm (216.)

Members may elect to pay the subscription fee in full or in twelve (12) equal installments, in which case DREMC will add the monthly subscription fee charge to the Subscribing Member's bill for the twelve (12) months immediately following the Subscription Agreement.

All profit of the Partnership, including premium pricing as a result of the TVA Generation Partner's Program, will be passed on to the Subscribing Members. Until March 1, 2022, Subscribing Members will earn \$0.12 per kilowatt-hour plus the retail rate of electricity for their prorated share (.46% per Unit purchased) of the solar farm's production. After March 1, 2022, and until August 27, 2032, Subscribing Members will, at a minimum, earn the retail rate of electricity. Any additional incentives negotiated on behalf of the Partnership will be passed on to the Subscribing Members.

Subscribing Members agree that at any time during the Term, and in the sole discretion of the General Partner, the Partnership may elect to repurchase any and all Units of interest in the Partnership pursuant to the terms contained herein and the terms of the Subscription Agreement. The repurchase price shall be calculated on a pro rata basis determined by the number of years remaining in the Term, any partial year will be adjusted on a monthly basis accordingly. No Limited Partner has agreed to contribute any additional cash or property as capital for use of the Partnership.

### **8. Duties and Rights of Partners**

General Partner shall diligently and exclusively apply himself in and about the business of the Partnership to the utmost skill and on a full-time basis.

No Limited Partner shall have any right to be active in the conduct of the Partnership's business, nor have power to bind the Partnership in any contract, agreement, promise, or undertaking.

### **9. Books of Accounts**

There shall be maintained during the continuance of this Partnership an accurate set of books of accounts of all transactions, assets, and liabilities of the Partnership. The books shall be balanced and closed at the end of each year, and at any other time on reasonable request of the General Partner. The books are to be kept at the principal place of business of the Partnership and are to be open for inspection by any Partner at all reasonable times.

### **10. Substitutions, Assignments, and Number of Subscription Agreements**

General Partner shall not substitute a partner in its place.

No Limited Partner may substitute an assignee as a Limited Partner in his place; but the person or persons entitled by rule or by intestate laws, as the case may be, shall succeed to all the rights of Limited Partner as a substituted limited partner.

The number of Subscription Agreements shall be limited to twice the number of solar panels in the solar farm; 108 solar panels and 216 Subscription Agreements at the time of this Agreement.

## **11. Utilization of Production Credit**

In the event that a subscribing Member is no longer able to utilize the PPC, the Member may sell or donate the PPC to another DREMC account or the PPC may remain at the billing address and be utilized by the current Member at that billing address.

## **12. Term of Partnership and Dissolution**

The Partnership term commences August 27, 2012, and shall end on (1) dissolution of the Partnership by operation of law or (2) dissolution at any time designated by General Partner. The Term of the Partnership shall be twenty (20) years ending on August 27, 2032, unless the Partnership is dissolved at an earlier date in accordance with this Agreement or the General Partner elects to repurchase any and all Units of interest in the Partnership pursuant to the terms contained herein and the terms of the Subscription Agreement.

## **13. Amendments**

This Agreement, except with respect to vested rights of partners, may be amended or restated at any time by a majority vote as measured by the interest and the sharing of profits and losses. Prior to any amendment to this Agreement, all partners will be notified of the proposed amendment to the Agreement.

## **14. Binding Effect of Agreement**

This Agreement shall be binding on the parties hereto and their respective heirs, executors, administrators, successors, and assigns.

## **15. Power of Attorney**

By signing this Agreement, each Limited Partner designates and appoints the General Partner its true and lawful attorney, in its name, place, and stead to make, execute, sign, and file the Certificate of Limited Partnership and any amendment thereto and such other instruments, documents, or certificates that may from time to time be required of the Partnership by the laws of the United States of America, the laws of the State of Tennessee, or any other state in which the Partnership shall do business in order to qualify or otherwise enable the Partnership to do business in such jurisdictions.

## **16. Tax Matters Partner**

The General Partner shall be the Partnership's "tax matters partner" ("TMP.") The TMP shall employ experienced tax counsel to represent the Partnership in connection with any audit or investigation of the Partnership by the Internal Revenue Service ("IRS") and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such, and all expenses incurred by the TMP in serving as the TMP, shall be Partnership expenses and shall be paid by the Partnership.

Notwithstanding the foregoing, it shall be the responsibility of the General Partner and of the Limited Partners, at their expense, to employ tax counsel to represent their respective separate interests. If the TMP is required by law or regulation to incur fees and expenses in connection with tax matters not affecting all the Partners, then the TMP may, in its sole discretion, seek reimbursement from or charge such fees and expenses to the Income Accounts of those Partners on whose behalf such fees and expenses were incurred. The TMP shall keep the Partners informed of all administrative and judicial proceedings, as required by Section 6223(g) of the Internal Revenue Code, and shall furnish to each Partner, who so requests in writing, a copy of each notice or other communication received by the TMP from the IRS, except such notices or communications as are sent directly to such requesting Partner by the IRS. The relationship of the TMP to the Limited Partners is that of a fiduciary, and the TMP has a fiduciary obligation to perform its duties, as TMP in such manner as will serve the best interests of the Partnership and all of the Partners. To the fullest extent permitted by law, the Partnership agrees to indemnify the TMP and its agents and save and hold them harmless, from and in respect to all (i) fees, costs and expenses in connection with or resulting from any claim, action, or demand against the TMP, the General Partner or the Partnership that arise out of or in any way relate to the TMP's status as TMP for the Partnership, and (ii) all such claims, actions, and demands and any losses or damages therefrom, including amounts paid in settlement or compromise of any such claim, action, or demand; provided that this indemnity shall not extend to conduct by the TMP adjudged (i) not to have been undertaken in good faith to promote the best interests of the Partnership or (ii) to have constituted gross negligence, recklessness or intentional wrongdoing by the TMP.

In Witness Whereof:

Duck River Electric Membership Corporation, General Partner

By:

A handwritten signature in blue ink, appearing to read "Jim Allison", is written over a horizontal line.

Jim Allison, President and Chief Executive Officer