

University Park Community Solar LLC  
Annual Summary of Operations  
For Year 2012  
January 25, 2013

University Park Community Solar LLC has been generating clean renewable electric power since July 22, 2010. This status report has been prepared for our 35 members for calendar year 2012. Solar performance figures for calendar year 2011 and the period July 22, 2010 thru December 31, 2010 are also included for completeness.

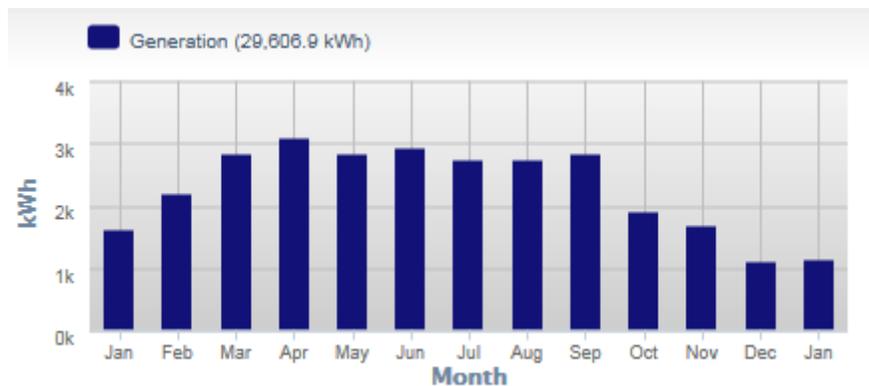
Power Production:

As of December 31, 2012, UPCS LLC has generated over 66,692 kWh since commissioning the 22.8 kW solar facility in July 2010:

11,473 kWh from July 22, 2010 thru December 31, 2010  
26,732 kWh in calendar year 2011  
28,487 kWh in calendar year 2012

In our initial business plan, we estimated 28,034 kWh in the first commercial operating year with an average decrease of solar production of 0.5% per year. Surprisingly, after over 2-1/2 years of operation, the solar facility has produced more in 2012 than what was initially projected (1.6% over the original estimate).

Our 99 solar panels show April and September in 2012 to be the prime months for solar generation.



Distribution of the Power

The Church of the Brethren continued to meet all of its electricity needs with solar generation with the excess generation -- about 1/3 of annual solar production -- being fed into the Pepco grid. At the end of 2012, the Church's net meter measured 17,360 kWh into the grid. Of this amount, in April 2012, we billed Pepco for 10,441 kWh at the

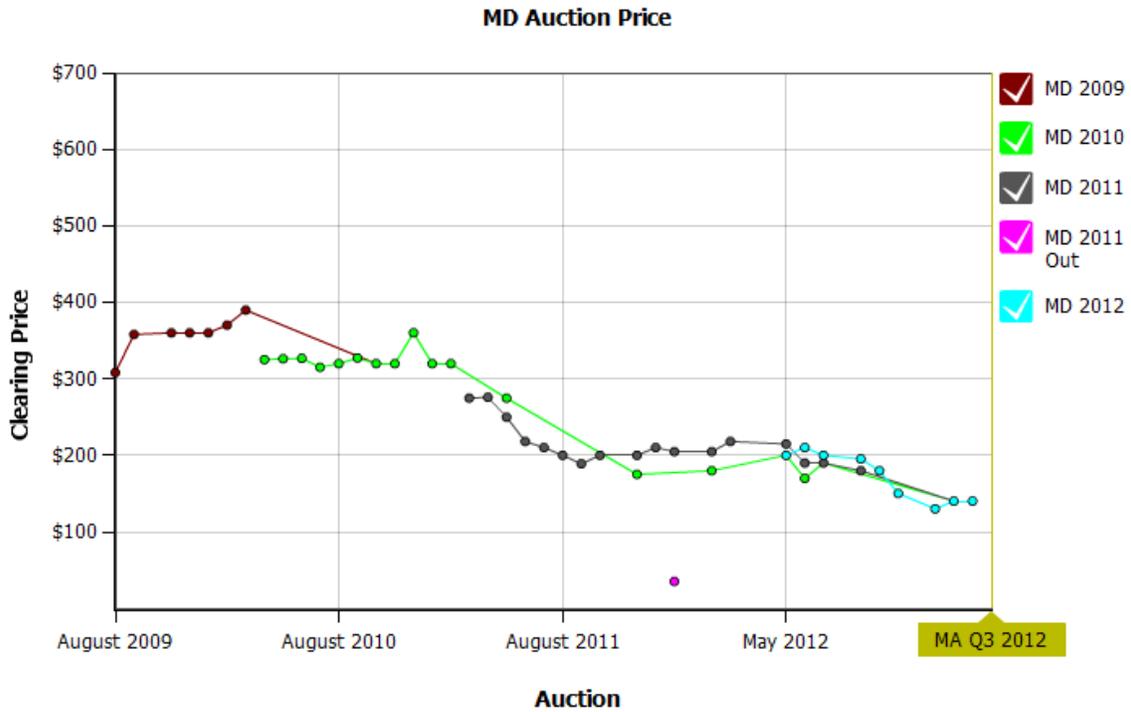
wholesale rate of 8.52 cents per kWh, paying UPCS LLC \$887.31. Hereafter, the LLC will be reimbursed each April for all excess estimated at 8,000 kWh each year.

Financials for 2012

Electricity sold to the Church of the Brethren 19,164.25 kWh @ \$0.13/kWh = \$2,491.35. In addition, as stated, we received a check of \$887.31 from Pepco for the excess electricity generated July 22, 2010 thru March 2012 as specified in the new state net metering law. Summing, the LLC received \$3378.66 from the sale of electricity.

The LLC’s other source of revenue is solar renewable energy credits (SREC's). We sold 15 SRECs in 2012 for \$3,163.50 at \$210 per SREC after paying a 5% broker fee. Management declined to sell 8 additional SRECs in October since the market price has recently fallen to \$140 per SREC because of a few, new large solar projects commissioned in Maryland.

The LLC produces 28 SRECs per year. As of September 2012, we have accumulated 59 SRECs since startup. We have sold 51 SRECs for \$12,145.75 (\$238.15 per SREC).



Source: [http://sretrade.com/maryland\\_srec.php](http://sretrade.com/maryland_srec.php)

Nonetheless, to pay the operating costs, we will need to continue selling SRECs in the near future even at that price level. Operating costs for 2012 included insurance, Maryland personal property tax, and tax preparation by our CPA totaling \$2,300.

To date, UPCS LLC has returned \$59,000 to members comprised of \$40,000 (the Federal Grant), and dividend returns of \$12,000 and \$7,000 in 2011 and 2012, respectively. Each member has thus received \$450/\$1000 or 45% of his/her contribution to the \$130,000 cost of the solar project.

#### Other Impacts/Events - Tangible and Intangible

UPCS LLC and the Church of the Brethren have proceeded to amend the billing language of the Power Purchase Agreement to reflect quarterly, advanced payments by the Church to be reconciled with actual results after one year. Originally, billing was to be monthly but the contract parties decided it was easier and practicable to transact as proposed.

Our CPA will file UPCS LLC's Federal and State taxes before the end of January as required by law. In addition, each member will receive a K-1 Statement before the end of this month.

Conventional grid supplied electricity in this region releases 1 pound CO<sub>2</sub> / kWh produced; therefore, 72,628 lbs of Carbon were not released to the environment because of our clean energy production (1.089 pounds of CO<sub>2</sub> per kWh x 66,692 kWh). Also, the solar facility has prevented some air pollution associated with the generation of the electricity production for this region, namely Sulfur Dioxide and Nitrogen Oxides, associated with acid rain and ground level ozone, an unhealthful component of "smog."