

SANTEE ELECTRIC COOPERATIVE COMMUNITY SOLAR SUBSCRIPTION APPLICATION

Santee Electric Cooperative, Inc. (“Cooperative”) is implementing a community solar subscription program (the “Solar Program”) as more fully described herein to provide qualifying subscribers (each, a “Subscriber”) the opportunity to subscribe to a portion of the output from a community solar farm commissioned by Cooperative in cooperation with Central Electric Power Cooperative, Inc. and a third-party developer. The terms and conditions below (the “Terms and Conditions”) set forth in this subscription application (the “Subscription Application”) set forth the participation requirements and details related to the credit Subscribers may receive by participating. **By signing below, Subscriber agrees to comply with and be bound by the Terms and Conditions.**

TERMS AND CONDITIONS

Section 1. Definitions.

Unless defined elsewhere in this Subscription Application, the capitalized terms below have the following definitions:

- (a) “Developer” means a third-party solar developer who will construct, operate and maintain the solar farm as defined herein, or who shall cause same to be done, or its successor-in-interest.
- (b) “Eligible Account” means a Cooperative member’s metered residential, commercial or industrial account in good standing having a service address within the Cooperative’s service territory, and which does not include non-metered, Advance Pay or lighting accounts. For the purposes of this Subscription Application, an account in “good standing” is currently paid up and that has no significant history of delinquency, as determined in Cooperative’s sole and absolute discretion.
- (c) “Force Majeure Event” means causes or events beyond the reasonable control of Cooperative or Developer including, without limitation, acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes and tornadoes; high winds of sufficient strength or duration to materially damage the solar farm or significantly impair its operation; long-term material changes in output caused by climatic change, lightning, fire, ice storms, sabotage, vandalism, terrorism, war, riots, fire, explosion, insurrection, strike slow-down or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group), and actions or inactions by any governmental authority taken after the date this agreement becomes effective.
- (d) “In-Service Date” shall mean the date determined by the Cooperative that the Solar Farm generates output subject to the Subscriptions.
- (e) “Maximum Block Allowance” shall mean a cap on the Blocks to which a particular class of Subscriber may subscribe equal to 5 Blocks for residential Subscribers; commercial and industrial subscriptions will be at the Cooperative’s sole discretion.
- (f) “Metered Output” shall mean the actual output of the Solar Farm for any month during the Term expressed in kilowatt-hours (kWh) as determined by Cooperative.
- (g) “Production Credit” means a monthly credit expressed in kilowatt-hours (kWh) to Subscriber’s electricity bill for Subscriber’s service to a property within Cooperative’s service territory, calculated in accordance with Section 6 of this Subscription Application.
- (h) “Solar Farm” means all improvements situated on certain property located at Williamsburg Cooperative Commerce Centre, Kingtree, South Carolina related to the generation of solar energy and its conversion into electrical energy, and collecting, transmission and/or distribution of such energy so converted.
- (i) “Starting Billing Period” shall mean the billing period as described in Section 3 in which Subscriber begins making Monthly Payments and receiving the Production Credit.
- (j) “Subscription” means the Subscriber’s purchase of the Block(s) pursuant to this Subscription Application.
- (k) “Block” means 1 kilowatt (kW) of electricity.

Section 2. Subscription.

- (a) Upon Cooperative’s approval of the Subscription Application (which will occur upon Cooperative’s receipt of the Initial Payment as set forth below and verification that Subscriber holds an Eligible Account), and subject to the Terms and Conditions, Subscriber hereby subscribes, and Cooperative hereby grants to Subscriber a Subscription, in and to _____ Blocks of the capacity of the Solar Farm. The Subscription entitles Subscriber to receive a Production Credit calculated per Section 6 below.
- (b) Subscriber acknowledges and understands that the Developer or its successor-in-interest will retain ownership, possession and control of the Solar Farm and will have the exclusive right to maintain and operate the Solar Farm. Subscriber further acknowledges and understands that the Developer may repair or replace all or any part of the Solar Farm as Developer may elect, in its sole discretion. **FOR AVOIDANCE OF DOUBT, SUBSCRIBER ACKNOWLEDGES THAT ITS SUBSCRIPTION PROVIDES NO OWNERSHIP OR POSSESSORY INTEREST IN THE SOLAR FARM OR THE LAND UPON WHICH THE SOLAR FARM IS SITUATED, AND FURTHER THAT THE TERMS AND CONDITIONS DO NOT GRANT ANY RIGHT OF ACCESS TO THE SOLAR FARM, THE SITE UPON WHICH THE SOLAR FARM IS LOCATED, OR TO ANY SOLAR PANEL, FOR ANY PURPOSE.**
- (c) A Production Credit may only be applied to an Eligible Account.
- (d) Subscriber shall execute a separate Subscription Application for each Eligible Account to which a Production Credit(s) will be applied.

Section 3. Subscription Fee. In consideration for its Subscription, Subscriber shall pay to Cooperative the non-refundable subscription fees described below.

SUBSCRIPTION FEES: The fees for participating in the Solar Program shall include a non-refundable initial payment of \$50.00 per Block (the "Initial Payment") due and payable upon the Subscriber's execution of this Subscription Application. Subscriber will also pay a monthly fee of \$14.00 per Block (the "Monthly Fee"). After the In-Service Date of the Solar Farm, the Monthly Fee shall be added to the Subscriber's bill from the Cooperative in the billing period after the Subscription Application is approved. **In the event that Subscriber fails to make any required Monthly Payment and such failure to pay is not cured within sixty (60) days after Cooperative provides written notice of non-payment to Subscriber, Subscriber's Subscription shall be null and void without any further notice required by Cooperative, and Subscriber will forfeit the right to receive any remaining Production Credits. In such circumstance, Cooperative shall have the right to re-subscribe the Blocks to any other Eligible Account in its discretion.**

Section 4. Term. The Subscription shall remain in force until, at any time after two years from the effective date of the Subscription, Subscriber ceases to pay the Subscription Fee, or until the termination of the solar program, whichever occurs first. The solar program will terminate twenty (20) years from the In-Service Date.

Section 5. Cooperative Obligations. Cooperative shall account for the Metered Output and account for and provide the Production Credit as set forth in the Terms and Conditions.

Section 6. Calculation of Production Credit.

- (a) A Subscriber's monthly Production Credit is calculated by multiplying the Solar Farm's Metered Output by the Subscriber's Proportionate Share (defined below). The product of this calculation is then multiplied by \$0.10 per kWh to determine the monthly Production Credit. This credit is then applied to the Subscriber's billing statement. Subscriber shall not be entitled to a Production Credit in any given billing period that exceeds the Subscriber's consumption for that billing period (such excess Production Credit being carried over and applied to Subscriber's bill for the following month, with all carryover credits reset to zero on June 1 of each year), and in no event shall the Production Credit exceed the credit calculated using the Maximum Block Allowance.
- (b) A "Subscriber's Proportionate Share" is the portion of the rated electrical output of the Solar Farm to which Subscriber has purchased a Subscription, expressed as the following fraction:

$$\frac{\text{\# of Blocks purchased by Subscriber X kilowatts per Block}}{\text{Total rated output in kilowatts of Solar Farm}}$$

Thus, if the Subscriber purchased four Blocks of a 130-kilowatt solar farm, and each Block is one kilowatt, Subscriber's Proportionate share would be $(4 \times 1)/130$, or 0.03.

Section 7. Subscriber Relocation. In the event that the Subscriber relocates to another service address within Cooperative's service territory, Subscriber's account shall remain an Eligible Account and the Production Credit will be applied to the new service address so long as Subscriber provides written notice of such change of service address at least thirty (30) days in advance of such change. If Subscriber fails to provide timely notice under this section, payment of the Production Credits to which Subscriber may otherwise have been entitled may be suspended and not resumed until the billing period after such required notice is provided to Cooperative.

Section 8. Repurchase by Cooperative. Cooperative shall have the right, upon providing written notice to Subscriber (a "Repurchase Notice"), at any time and in Cooperative's sole and absolute discretion, to repurchase any or all Blocks from Subscriber, in which case the following provisions shall apply:

- (a) The Repurchase Notice will state an effective date for the repurchase that coincides with the end of a particular billing period, and Subscriber shall be entitled to the Production Credit until that date.
- (b) The consideration for such repurchase will be as follows:

Cooperative will repurchase the Blocks using the following formula:

$$\frac{(\text{years remaining of term}) \times (\text{\# of blocks}) \times \$50}{20 \text{ year term}}$$

Subscriber shall be released from any future monthly Participation Fees under the Subscription Application effective as of the date of the Repurchase Notice. Additionally, Subscriber shall receive any Production Credit accrued through the current billing period. Cooperative will remit payment of the Repurchase Price to Subscriber within thirty (30) days after sending the Repurchase Notice.

- (c) Upon (1) Cooperative's tendering of the Repurchase Price, if any; and/or (2) application of any final Production Credit due to Subscriber to Subscriber's monthly bill, as the case may be, the Subscription Application will terminate and Cooperative will have no further obligations hereunder.
- (d) Unless specifically provided for herein, Cooperative is under no obligation to repurchase Subscriber's Blocks.

Section 9. Disclaimer of Warranties; Limitation of Liability.

- (a) To the fullest extent allowed by law, Cooperative's total liability, regardless of the number of claims, is limited to the amount of the Production Credit due and payable to Subscriber pursuant to the Terms and Conditions, and Cooperative and its directors, trustees, officers, employees, contractors and agents shall not be liable to Subscriber or any other party for any other obligations. NOTWITHSTANDING ANYTHING IN THIS SUBSCRIPTION APPLICATION TO THE CONTRARY, COOPERATIVE AND ITS DIRECTORS, TRUSTEES, OFFICERS,

