

COMMUNITY SOLAR SUBSCRIPTION APPLICATION

Aiken Electric Cooperative, Inc. (“Cooperative”) is implementing a residential, commercial and industrial 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 (the “Terms and Conditions”) 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.**

Subscriber Name (as it appears on your monthly bill) Billing Account Number

Service Address City State Zip

Billing Address (if different from Service Address) City State Zip

Phone Number Email address

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.
- (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 *Advanced Pay*, net-metering, time of use, non-metered or lighting accounts. For the purposes of this Subscription Application, an account in “good standing” is currently paid up with 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 Subscriptions.
- (e) "Metered Output" shall mean the actual output of the Solar Farm for any month during the Term expressed in kilowatt-hours (kWh).
- (f) "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 these Terms and Conditions.
- (g) "Solar Farm" means all improvements situated on certain property located at 301 Gateway Dr. Aiken, SC 29803, related to the generation of solar energy and its conversion into electrical energy, and collecting, transmission and/or distribution of such energy so converted.
- (h) "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.
- (i) "Subscription" means the Subscriber's purchase of the Unit(s) pursuant to this Subscription Application.
- (j) "Unit" means percentage of the solar farm capable of producing up to 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 ____ Units 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 will be applied.

Section 3. Subscription Fee. In consideration for its Subscription, Subscriber shall pay to Cooperative the fees described below (the “Subscription Fee”).

A non-refundable initial payment \$50 per Unit (the “Initial Payment”) due and payable upon the Subscriber’s execution of this Subscription Application, and a monthly payment of \$9 per Unit (the “Participation Fee”).

The Participation Fee shall be added to the Subscriber’s bill from the Cooperative beginning in the calendar month that is at least 15 days after the date upon which Subscriber receives written notice from the Cooperative of the Starting Billing Period. **In the event that Subscriber fails to make any required Participation Fee payments under this section 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 Units to any other Eligible Account in its discretion.**

Section 4. Term. The Subscription shall remain in force until, 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. In the event of early termination by Subscriber, Subscriber shall not be entitled to a refund of the Initial Payment, or any part of the Participation Fee.

Section 5. Cooperative Obligations. Cooperative shall account for the Metered Output and account for and provide the Production Credit as set forth in Section 6 of 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 \$0.065 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 Unit 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:

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

Thus, if the Subscriber purchased five Units of a 100-kilowatt solar farm, and each Unit is one kilowatt, Subscriber’s Proportionate share would be (5 X 1)/100, or 0.05.

*Percentage could change based on the number of units and/or farm size.

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 Units 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 determined using the following formula:

$$\frac{\text{\textbf{(Years remaining of term) X (\# of Units) X \$50}}}{\text{\textbf{20-year term}}}$$

For example, after 5 years the repurchase price of 2 units would be calculated as follows:

$$\frac{\text{\textbf{15 years X 2 units X \$50}}}{\text{\textbf{20-year term}}} = \$75$$

Subscriber shall be released from any future Participation Fee payments 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 Agreement will terminate and Cooperative and Subscriber will have no further obligations hereunder.

- (d) Unless specifically provided for herein, Cooperative is under no obligation to repurchase Subscriber's Units.

Section 9. Disclaimer of Warranties; Limitation of Liability.

- (a) Cooperative does not make any, and does expressly disclaim, all warranties or representations of any kind with respect to the design, manufacture, construction, safety, performance or effectiveness of the Solar Farm, solar panels and/or services rendered by any person or entity in connection with the solar Subscription program. COOPERATIVE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, TO THE MAXIMUM EXTENT PERMITTED UNDER LAW, WHETHER STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- (b) 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, EMPLOYEES, CONTRACTORS AND AGENTS SHALL NOT BE LIABLE HEREUNDER FOR ANY TYPE OF DAMAGES, WHETHER INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, RELIANCE, PUNITIVE OR SPECIAL DAMAGES, INCLUDING DAMAGES FOR LOSS OF USE REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, INDEMNITY OR WARRANTY, INCLUDING NEGLIGENCE OF ANY KIND.

Section 10. Additional Subscriber Acknowledgements. Subscriber acknowledges and agrees that:

- (a) The Terms and Conditions in this Subscription Application create certain legal rights and obligations on the part of Subscriber, and Subscriber has been encouraged and has had the opportunity to obtain legal counsel prior to submitting the Subscription Application.
- (b) The Production Credit may vary significantly from month to month based on weather, climatological and other conditions, and further that the Solar Farm may, from time to time, become subject to physical damage, equipment failure and other events that may degrade the Solar Farm's efficiency. Excepting a failure to maintain or repair the Solar Farm occasioned by the gross negligence, willful, wanton or intentional misconduct of Developer (or a third party contracted by Developer to conduct such maintenance) as determined in Cooperative's sole and absolute discretion, Cooperative shall be under no obligation to issue any refund or credit to Subscriber based on the efficiency or output of the Solar Farm. In no event shall a refund or credit be issued if Solar Farm performance is degraded as a result of a Force Majeure Event, as that term is defined above.

- (c) Receipt of the Production Credit pursuant to the Terms and Conditions may result in taxable income to Subscriber, and that Subscriber is solely responsible for payment and reporting with respect to Subscriber's taxes. Subscriber acknowledges that Cooperative has made no representation or warranty of any kind regarding the tax ramifications of the Terms and Conditions or Subscriber's entry into its Subscription, and that Subscriber has had the opportunity to consult its tax adviser prior to submitting its Subscription Application or agreeing to the Terms and Conditions. Nothing in these Terms and Conditions constitutes tax advice, and nothing herein may be used for the purpose of avoiding penalties under the Internal Revenue Code or applicable state law.
- (d) Unsubscribed output from the Solar Farm will be provided to the cooperative grid system and not credited to any particular Cooperative member. Further, in the event that Subscriber's service address is no longer associated with an active Eligible Account (for example, if Subscriber has neglected to notify Cooperative of its desire to apply the Production Credit to a new service address within the Cooperative's service territory), output from the Solar Farm associated with Subscriber's Units will be provided to the cooperative grid system and not credited to any particular Cooperative member until such time as this condition is cured (or, in the event of such occurrence accompanied by non-payment of required Participation Fee, the non-payment provisions of Section 3 will apply).
- (e) COOPERATIVE HAS MARKETED THE SUBSCRIPTIONS ONLY AS A MEANS TO PARTICIPATE IN A RENEWABLE ENERGY PROGRAM AND HAS MADE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, THAT SUBSCRIBER MAY OR WILL DERIVE AN ECONOMIC BENEFIT FROM ITS SUBSCRIPTION. SUBSCRIBER FURTHER ACKNOWLEDGES THAT COOPERATIVE MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED REGARDING THE EFFICIENCY OF THE SOLAR FARM OR THE AMOUNT OF PRODUCTION CREDIT, IF ANY, THAT SUBSCRIBER WILL RECEIVE DURING ANY BILLING PERIOD DURING THE TERM.

Section 11. Transfer/Assignment. Subscriber may not assign, gift, bequeath or otherwise transfer the Unit(s) or the Subscription to any other individual or entity without prior written consent of Cooperative, which may be withheld or conditioned in Cooperative's sole and absolute discretion. Provided, however, that a Subscription may be transferred to Subscriber's cohabitant upon written notification to Cooperative that the cohabitant intends to continue the Subscription and become the member of record at the service address associated with the transferring member's Eligible Account. If a cohabitant intends to continue a Subscription but fails to provide notice as required under this section, payment of the Production Credits pursuant to the Subscription may be suspended and not resumed until the billing period after such required notice is provided to Cooperative.

Section 12. Notice. All notices, requests, consents, and any other communication under this Agreement shall be in writing to the billing address for each party.

Section 13. Terms and Conditions Inclusive. These Terms and Conditions, including any and all attachments hereto, constitute the entire understanding between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties.

Section 14. Governing Law. The Terms and Conditions and Subscription Application shall be construed and governed in accordance with the laws of the State of South Carolina.

Section 15. Binding on Successors. These Terms and Conditions shall be binding on the heirs, personal and legal representatives, successors and permitted assigns of the Subscriber.

Section 16. No Change in Rate. Nothing in the Terms and Conditions shall be deemed to alter or modify any rate, charge, term or condition of the electric service provided by Cooperative to Subscriber or to modify in any way Subscriber's rights and obligations as a member of Cooperative. All Cooperative rates, charges, and terms and conditions of electric service shall remain subject to change in accordance with applicable laws and/or *Service Rules and Regulations* of the Cooperative at any time.

Section 17. Renewable Energy Credits and Environmental Attributes. Subscriber acknowledges and agrees it has no rights in or claims to Renewable Energy Credits ("RECs"), or any credits, benefits, emissions reductions, offsets or allowances, howsoever entitled, resulting from the avoidance of the emission of any substance to the air, soil or water at or by Cooperative generating facilities through reduced generation of energy or other savings or offsets on account of the Solar Program ("Environmental Attributes"). Subscriber will not claim rights to or ownership of any Environmental Attributes or REC's.

Section 18. Subscription Program Changes. Cooperative reserves the right to alter, amend supplement or cancel the Solar Program at any time with or without prior notice. Subscribers shall be bound by the Terms and Conditions to which they have agreed without regard to the terms and conditions of any prior or future Subscription Application or similar document related to the Solar Program.

Upon Cooperative's receipt of applicant's Initial Payment and verification that the applicant has an Eligible Account, Cooperative will send Subscriber written notice that its application has been approved. Such notice will include the Starting Billing Period for the Subscription. In the event an application is not approved for any reason, the Initial Payment will be refunded.

ACCEPTANCE OF TERMS AND CONDITIONS

By signing below, I do hereby certify that:

1. I am the Subscriber or am authorized to sign on Subscriber's behalf.
2. I have read, understand and agree to be bound by and comply with the Terms and Conditions as set forth in this Subscription Application.

Signature

Print Name (if not same as Subscriber)

Date