

REGULAR AGENDA

OF

JULY 17, 2017

CITY OF NORTH AUGUSTA



AGENDA: REGULAR CITY COUNCIL MEETING July 17, 2017 – Municipal Center – 100 Georgia Avenue, 3rd Floor – 7:00 P.M.

CITIZEN COMMENTS: Citizens may speak to Mayor and City Council on each item listed on this agenda. Mayor Pettit will call for your comments prior to City Council discussing the matter. When speaking to Council, please step up to the microphone, give your full name and address, and direct your remarks to Mayor Pettit.

CITIZEN ASSISTANCE: Individuals needing special assistance or sign interpreter to participate in the meeting, please notify the Administration Department 48 hours prior to the meeting.

- 1. <u>CALL TO ORDER:</u>
- 2. INVOCATION AND PLEDGE OF ALLEGIANCE:
- 3. ROLL CALL:
- 4. APPROVAL OF MINUTES: Regular and study session meeting minutes of July 3, 2017

UNFINISHED BUSINESS

- 5. <u>PLANNING AND DEVELOPMENT:</u>
 Amending the Comprehensive Plan Originally Adopted on December 19, 2005, and Amended on October 3, 2011 Ordinance 2017-01 Second Reading
- 6. <u>ZONING:</u> North Augusta Development Code, Proposed Map Amendment (Application RZM 17-001) Ordinance 2017-06, Third and Final Reading

NEW BUSINESS

- 7. <u>ECONOMIC DEVELOPMENT:</u> Approving Capstone Services, LLC to Continue to Provide Project Management Services to the City of North Augusta in Support of City Projects in Riverside Village at Hammonds Ferry Resolution 2017-29
- 8. <u>PLANNING AND DEVELOPMENT:</u> Adoption of the 2017 Comprehensive Plan for the City of North Augusta
 - A. Ordinance 2017-07, First Reading
 - B. Ordinance 2017-07, Second Reading
- 9. <u>FINANCE:</u> Authorizing the City to Enter Into a Contract with CEC, Development, LLC Related to Utilization of Solar Energy Resolution 2017-30
- 10. PRESENTATIONS/COMMUNICATIONS/RECOGNITION OF VISITORS:
 - A. <u>Citizen Comments:</u> At this time, citizens may speak to Mayor and City Council regarding matters not listed on the agenda.
 - B. Council Comments
- 11. <u>ADJOURNMENT:</u>

Administration Department



TO: Mayor and City Council

FROM: B. Todd Glover, City Administrator

DATE: July 14, 2017

SUBJECT: Regular City Council Meeting of July 17, 2017

REGULAR COUNCIL MEETING

ITEM 5. PLANNING AND DEVELOPMENT:

Amending the Comprehensive Plan Originally Adopted on December 19, 2005, and Amended on October 3, 2011 – Ordinance – Second Reading

An ordinance has been prepared for Council's consideration on second reading to amend the Comprehensive Plan for the City of North Augusta originally adopted on December 19, 2005, and amended on October 3, 2011.

Please refer to your agenda packet of February 20, 2017 for the ordinance text.

ITEM 6. ZONING: North Augusta Development Code, Proposed Map Amendment (Application RZM 17-001) – Ordinance, Third and Final Reading

An ordinance has been prepared for Council's consideration on third and final reading to amend the Zoning Map of the City of North Augusta, South Carolina by rezoning ±.245.56 acres of property located along the western side of W. Martintown Road north of I-20, Tax Parcel Number 001-15-02-003, from PD, Planned Development, to CR, Critical Areas.

Please see the minutes of July 3, 2017 for the ordinance text.

ITEM 7. <u>ECONOMIC DEVELOPMENT:</u>

Approving Capstone Services, LLC to Continue to Provide Project Management Services to the City of North Augusta in Support of City Projects in Riverside Village at Hammonds Ferry – Resolution

A resolution has been prepared for Council's consideration approving Capstone Services, LLC to continue to provide project management services to the City of North Augusta in support of Project Jackson.

Please see <u>ATTACHMENT NO. 7</u> for a copy of the proposed resolution.

ITEM 8. ZONING: Adoption of the 2017 Comprehensive Plan for the City of North Augusta

A. Ordinance, First Reading

An ordinance has been prepared for Council's consideration on first reading to adopt the 2017 Comprehensive Plan for the City of North Augusta.

Please see <u>ATTACHMENT NO. 8-A</u> for a copy of the proposed ordinance and the pages that were changed in the proposed plan since you received a copy on February 20, 2017.

C. Ordinance, Second Reading

Pending Council's passage of the ordinance on first reading, it is submitted for Council's consideration on second reading.

ITEM 9. FINANCE: Authorizing the City to Enter Into a Contract with CEC, Development, LLC Related to Utilization of Solar Energy

A resolution has been prepared for Council's consideration authorizing the City Administrator to execute a contract with CED Development LLC to enroll the City in the SCE&G Community Solar program.

Please see <u>ATTACHMENT NO. 9</u> for a copy of the proposed resolution.

ATTACHMENT 7

RESOLUTION NO. 2017-29 A RESOLUTION APPROVING CAPSTONE SERVICES, LLC TO CONTINUE TO PROVIDE PROJECT MANAGEMENT SERVICES TO THE CITY OF NORTH AUGUSTA IN SUPPORT OF CITY PROJECTS IN RIVERSIDE VILLAGE AT HAMMONDS FERRY

WHEREAS, Resolution 2017-09 approved Capstone Services, LLC to provide project management services in an amount not to exceed \$31,000 related to City projects in Riverside Village at Hammonds Ferry; and

WHEREAS, Capstone Services, LLC has provided high quality and beneficial services to the City; and

WHEREAS, Mayor and City Council have determined that it is in the best interest of the City to continue to use Capstone Services, LLC through completion of the City projects in Riverside Village at Hammonds Ferry; and

WHEREAS, sufficient funding is available from Riverside Village at Hammonds Ferry project revenues for project management services;

NOW THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of North Augusta, South Carolina, in meeting duly assembled and by the authority thereof, approve Capstone Services, LLC to continue to provide project management services to the City of North Augusta in support of Riverside Village at Hammonds Ferry and authorize the City Administrator to execute a contract with same for these services in an amount not to exceed funding from Riverside Village at Hammonds Ferry project revenues.

Done, ratified and adopted by the Mayor and City Council of the City of North Augusta, South Carolina, on this ____ day of JULY, 2017.

Rob	ert A. Pettit, Mayor	
TTEST:		

ATTACHMENT 8-A

ORDINANCE NO. 2017-07 AN ORDINANCE ADOPING THE 2017 COMPREHENSIVE PLAN FOR THE CITY OF NORTH AUGUSTA

WHEREAS, on the 19th day of December, 2005, by Ordinance 2005-15, the North Augusta City Council adopted the 2005 Comprehensive Plan, a long range plan for guiding and managing the future development of the City of North Augusta over a ten (10) year period as required by the South Carolina local government Comprehensive Planning Enabling Act of 1994; and,

WHEREAS, pursuant to Section 6-29-510(e) of said act, the Comprehensive Plan should be reviewed, not less than every five (5) years, to determine whether changes in the amount, kind or direction of development of the area or other reasons make it desirable to make additions or amendments to the Plan. The Comprehensive Plan, including all elements of it, must be updated every ten (10) years; and,

WHEREAS, the City has previously, on or about the 13th day of March, 2015, contracted with Stantec Consulting Services, Inc. for the purpose of reviewing and providing to the Planning Commission suggestions for updating the Plan; and,

WHEREAS, the report from the consultant was received and forwarded to the Planning Commission to allow for the Planning Commission to review such report and make such recommendations as the planning commission deems appropriate, as well as to schedule a joint public hearing for the Planning Commission and the City Council to receive public input related to the consultants proposal; and,

WHEREAS, the Planning Commission and the City Council held a public hearing on March 13, 2017 to receive public input; and

WHEREAS, the Planning Commission held a public study session on March 16, 2017 for the review of the draft Comprehensive Plan and to review and incorporate citizen comments; and

WHEREAS, on March 16, 2017 the Planning Commission approved the Draft 2017 Comprehensive Plan and recommended its adoption by City Council; and

WHEREAS, on June 12, 2017 City Council reviewed the draft 2017 Comprehensive Plan as recommended by the Planning Commission and made modifications to the Top 10 Recommendations replacing them with "Comprehensive Plan Priority Actions"

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of North Augusta, South Carolina, in meeting duly assembled and by the authority thereof, that:

1. The 2017 Comprehensive Plan prepared by Stantec Consulting Services, Inc., as reviewed, approved and recommended by the

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ATTACHMENT 8-A

Planning Commission, and subsequently reviewed and modified by the

City Council is hereby adopted.

- 2. A copy of the adopted 2017 Comprehensive Plan is attached hereto.
- 3. This Ordinance shall become effective immediately upon its adoption on third and final reading.
- 4. All Ordinances or parts of Ordinances in conflict herewith or to the extent of such conflict are hereby repealed.

Donna B. Young, City Clerk

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS ____ DAY OF _____, 2017.

First Reading: _____ Robert A. Pettit, Mayor

Third Reading: ____ ATTEST:

ATTACHMENT 9

RESOLUTION NO. 2017-30 A RESOLUTION AUTHORIZING THE CITY TO ENTER INTO A CONTRACT WITH CEC, DEVELOPMENT, LLC RELATED TO UTILIZATION OF SOLAR ENERGY.

WHEREAS, the City has been contacted by CEC Development, LLC, a Colorado Limited Liability Company who requests that the City enter into a contract with said company related to solar energy; and,

WHEREAS, CEC Development, LLC, is working through South Carolina Electric and Gas Company related to such solar energy; and,

WHEREAS, the entering into such agreement provides financial incentives to the City which are beneficial to the City.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of North Augusta, in meeting duly assembled and by the authority thereof, that the City enter into the attached Capacity Commitment Agreement with CEC Development, LLC, and,

BE IT FURTHER RESOLVED that the City Administrator is authorized to execute the Capacity Commitment Agreement with CEC Development, LLC and also authorized to hereafter execute such Community Solar Subscription Agreements as referred to in the contract.

Done, ratified and adopted by the Mayor and City Council of the City of North Augusta, South Carolina, on this the _____ day of July, 2017.

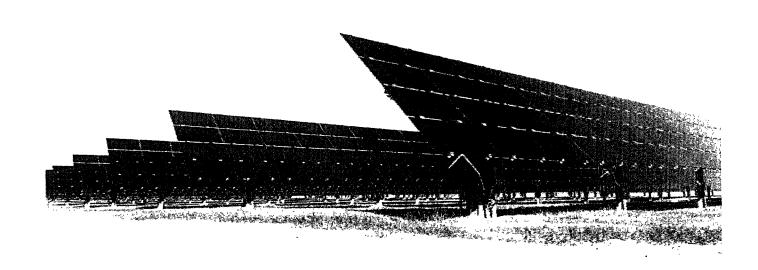
7	Clerk

Todd Glover
City Administrator
City of North Augusta
100 Georgia Avenue
North Augusta, South Carolina 29841

Community Solar Savings Proposal

City of North Augusta





Clean Energy Collective

Kevin Morse

VP of Sales
(844) 232-7253
kevin.morse@easycleanenergy.com

Proposal Issued: June 28, 2017



Roofless

June 28, 2017

Dear Mr. Glover,

Clean Energy Collective is pleased to present you with a proposal for clean, solar energy from a South Carolina Electric & Gas community solar array, offsetting some or all of your electric use and yielding your organization savings on your electricity costs over the course of the program.

SCE&G's Community Solar Program is being delivered in partnership with CEC who is one of the most widely acclaimed renewable energy solutions providers today and is currently helping thousands of customers across the country reach their environmental and financial goals. CEC is proud to have the most operational or under development community solar arrays in the country, and the ability to deliver a flexible savings product to our customers. In addition to saving money, you will be able to participate in a renewable energy option with nothing on your roof or property, offset your utility costs for 20 years, and enjoy the flexible and worry-free SCE&G Community Solar Program.

In the following proposal, you will find a detailed explanation of your proposed maximum system size, associated costs, year over year and savings over the lifetime of the program, pertinent product details, as well as a detailed overview of CEC, how CEC RooflessSolarTM works, and the benefits you will receive as a result of working with us.

You can choose to either be a "Subscriber" or "Purchaser" in the SCE&G Community Solar Program. Both options are summarized in this proposal. In addition, should you choose to be a Subscriber today, you will have the option to convert to Purchase at years 6, 11, 16 and 20.

The following proposal was developed based on your specific energy use patterns, and the savings and environmental benefits defined are specific to your particular usage. Your ability to capture these maximum savings will depend on how much of that capacity can be allocated to you under the program rules and currently available capacity. We stand ready to answer any questions you may have, and we look forward to being a part of your energy cost savings and sustainability strategies.

Regards,

Kevin Morse

VP of Sales

Clean Energy Collective

Subcontractor for SCE&G Community Solar





What is SCE&G Community Solar?



Product Overview

Community solar (CEC RooflessSolar) is an optimally located solar array built within your utility's service area. With the SCE&G Community Solar Program, you receive credits directly on your electric bill every month for participating in the solar array, offsetting your electricity costs. SCE&G Community Solar

makes solar bill credits available to Residential, School (Class 22), Municipal (Class 3) and Church (Class 12) SCE&G electric customers all without having to install solar panels on their roofs or properties – even for those who lease or rent their space. SCE&G Community Solar provides long-term financial savings and an effective hedge against rising energy costs.

Save Money on Energy Costs

You will see savings on your electric costs year over year. But moreover, the cost of solar energy is predictable and stable.

This allows you put money back into your organization, improve your bottom line, and manage and plan cash flow.

Nothing on Your Roof or Property

SCE&G Community Solar is the only way to access the benefits of locally-generated solar energy if you don't own your space. With community solar, you don't install anything on your roof or property because you participate in a local solar array with other

System Size	
Production Capacity Assign	ed (Watts)
4,483,00	00
Year 1	
SCE&G Solar Subscription Fee	(\$10,759)
On Bill Credits	\$82,398
Year One Savings	\$71,638
20 Years	
SCE&G Solar Subscription Fee	(\$215,184)
On Bill Credits	\$1,543,528
Total Savings	\$1,328,344
20 Year Environmenta	al Benefits
CO2 Avoided (lbs.)	273,204,526
Car Travel Avoided (miles)	309,786,149
Trees Planted	421,383

members of the community. Plus, you don't have to worry about operating and maintaining a system.



SC&G Community Solar in South Carolina

CEC is developing utility-grade community solar arrays in South Carolina in the SCE&G electric service areas. Below is more information about how community solar works specifically for you in South Carolina.

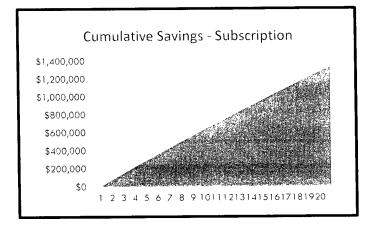
This program is the perfect pile of committeesponsibility and benefit blanded with supporting custoinable and reasonable energy sources

Customer Participation Rules

SCE&G Community Solar is available to residential, school, church, and municipal SCE&G electric customers (SCE&G Customer Classes 1, 2, 3, 5, 6, 7, 8, 12, and 22). You can change the eligible utility account where credits are posted each year as your energy requirements change.

Monthly Community Solar Credit - Subscription

Each month, SCE&G will calculate the amount of kilowatt-hours (kWh's) attributable to each customer in the SCE&G Community Solar arrays. Once the kWh's for each customer are determined, SCE&G will apply a credit to your bill



that is equal to the number of kWh's produced by your subscription or panels, multiplied by the credit rate of \$0.01 per kWh (fixed for 20 years). The credits are then applied to your bill, reducing your total costs owed to SCE&G. If you ever have more credits than what you owe to SCE&G, your credits will roll over to the next month.

If you choose to subscribe to the community solar program, you will start seeing savings

on your electric costs in the billing cycles immediately following the first month the solar array goes online. Subscribing customers pay a monthly fee of \$0.20 per kW per month of solar capacity subscribed that is applied monthly to existing monthly SCE&G billing. Your monthly solar credits are expected to exceed your monthly subscription fee, therefore you will benefit from offsetting your electric expenses year over year.



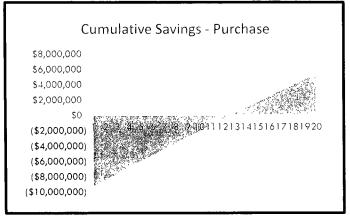
Monthly Community Solar Credit - Purchase

If you purchase panels from the community solar array, you will pay \$264 per panel upfront, incur no monthly fees, and receive a credit of \$0.10 per kWh associated with your panels' produced energy for 20 years. The system will

effectively pay for itself after approximately 13 years and continued savings each year thereafter.

Operations & Maintenance Program

With SCE&G Community Solar, arrays are fully operated and maintained by CEC and SCE&G for maximum performance, at no cost to you. Ongoing operations and maintenance includes active daily monitoring of production and weather information, with real-time visibility into actual production. Any unexpected degradation in production is flagged and investigated.



All equipment comes with warranties, and annual inspections of the arrays are done by certified technicians.

Flexibility and Ability to Transfer

Credits may be assigned to any eligible meter under your utility account. This allows you the opportunity to move the credits from one location or account to others as your organization's electric usage changes.

How It Works



We build.

CEC builds an optimally sited SCE&G Community Solar array in your area. This delivers electric power to SCE&G.



You sign up.
You sign up for SCE&G
Community Solar and participate
in the offsite solar array to meet

your energy needs.



Start saving.

You receive bill credits directly on your electric bill for the solar power produced and save on your electricity costs.

Promote Your Sustainability Efforts

With SCE&G Community Solar, you are supporting the production of clean, local and renewable energy that provides substantial benefits for our climate, our health, and our economy. This creates a valuable PR opportunity to tout your support of community solar projects — promoting a positive brand image and ultimately improving customer loyalty. CEC offers marketing and PR support services to help you promote your business and your sustainability efforts.



Environmental Goals and Requirements

More and more states across the country are requiring or incentivizing businesses to engage in energy efficiency efforts or to use renewable energy. Additionally, if your organization wants to support locally generated renewable energy, SCE&G Community Solar is an easy, hassle-free way to meet that goal without having to make structural changes to your facilities or make a large upfront capital investment.

About Clean Energy Collective - The Developer of SCE&G Community Solar Program

CEC is the nation's leading developer of community solar solutions. CEC pioneered the model of delivering clean power-generation facilities that are collectively serving participating utility customers. Since establishing the first community solar array in the country in 2010, CEC has more than 100 community solar arrays online or under development with over 27 utility partners across 12 states. These developments represent over 172 MW of community solar capacity. CEC has been nationally recognized for pioneering the community solar project as the primary vehicle to bring solar power to all, even those where traditional on site solar is not an option.

Industry Recognition

As the pioneer of the community solar model, CEC is proud to be where it is today. CEC has been recognized for innovation, industry, business, and national and local accomplishments.











National Photovoltaic Project of Distinction Award



Subscription Product - SCE&G Community Solar Program

Below is a year over year table of your maximum estimated solar energy production, costs, and savings associated $with your proposed system size under the SCE\&G Community Solar Subscription Product. \ Your ability to capture these$ maximum savings will depend on how much of that capacity can be allocated to you under the program rules, currently available capacity and your future energy savings plans.

Credit Rate	\$0.01	per kWh	Production Capacity Assigned (Watts)			4,483,000	
Year	Annual kWh	Credit Rate	Annual Credits	Subscription Fee (\$0.20 per kW per month)	Annual Savings Generated	Cumulative Savings	
1	8,239,754 00	\$0.01	\$82,398	(\$10,759)	\$71,638	\$71,638	
2	8,184,794 84	\$0.01	\$81,848	(\$10,759)	\$71,089	\$142,727	
3	8,129,835 68	\$0.01	\$81,298	(\$10,759)	\$70,539	\$213,266	
4	8,074,876 52	\$0.01	\$80.749	(\$10,759)	\$69,490	\$283,256	
5	8,017,917 36	\$0.01	\$80,199	(\$10,759)	\$69,440	\$352,696	
6	7,964,958 20	\$0.01	\$79,650	(\$10,759)	\$68.890	\$421,586	
7	7,909,999.04	\$0.01	\$79,100	(\$10,759)	\$68,341	\$489,927	
8	7,855,039.89	\$0.01	\$78,550	(\$10,759)	\$67,791	\$557,718	
9	7,800,080 /3	\$0.01	\$78,001	(\$10,759)	\$67,242	\$624,960	
10	7,745,121 57	\$0 01	\$77,451	(\$10,759)	\$66.692	\$691 652	
11	7,690,162 41	\$0.01	\$76,902	(\$10,759)	\$65,142	\$757,794	
12	7,635,203 25	\$0.01	\$76,352	(\$10,759)	\$65,593	\$823,387	
13	7,580,244 09	\$0.01	\$75,802	(\$10,759)	\$65,043	\$888,430	
14	7,525,284 93	\$0.01	\$75,253	(\$10,759)	\$64,494	\$952,924	
15	7,470.325 77	\$0 01	\$74,703	(\$10,759)	\$63,944	\$1,016,868	
16	7,415,366.61	\$0.01	\$74.154	(\$10,759)	\$63,394	\$1,080,262	
17	7,360.407 45	\$0.01	\$73,604	(\$10,759)	\$62,845	\$1,143,107	
18	7,305,448 29	\$0.01	\$73.054	(\$10,759)	\$62,395	\$1,205 403	
19	7,250,489 13	\$0.01	\$72,505	(\$10,759)	\$61,746	\$1,267,148	
20	7,195,529 48	\$0.01	\$71,955	(\$10,759)	\$61,196	\$1,328,344	
Total	154,35 !.839 76		\$1,543,528	(\$215,184)	\$1.328,344		



Purchase Product - SCE&G Community Solar Program

Below is a year over year table of the estimated solar energy production, costs, and savings associated with your proposed system size under the SCE&G RooflessSolar Purchase Product. Your ability to capture these maximum savings will depend on how much of that capacity can be allocated to you under the program rules, currently available capacity and your future energy savings plans.

Tredit Rate	\$0.10	per kWh	Production	Capacity Assign	ed (Watts)	4,483,000
	olar Panel Purch	ase Price - Yea	r 1		\$10,086,750	
Year	Annual kWh	Credit Rate	Annual Credits	Subscription Fee (\$0.20 per kW per month)	Annual Savings Generated	Cumulative Savings
1	8,239,754	\$0 10	\$823,975	\$0	\$823,975	(\$9,262,775)
2	8,184.795	\$0.10	\$818,479	\$0	5818.479	(\$8,444,295)
3	8,129,836	\$0 10	\$812,984	\$0	\$812,984	(\$7,631,312)
4	8,074,877	\$0.10	\$807.483	\$0	\$807.488	(\$6,823,824)
5	8,019,91/	\$0.10	\$801,992	\$0	\$801,992	(\$6,021,832)
6	7,964.958	\$0 10	\$796,496	\$0	\$796,496	(\$5,225,336)
7	7,909,999	\$0.10	\$791,000	\$0	\$791,000	(\$4,434,336
8	7,855,040	\$0.10	\$785,504	\$0	\$785,504	(\$3,648,832
9	7,800,081	\$0.10	\$780,008	\$0	\$780,008	(\$2,868,824
10	7,745,12.1	\$0.10	\$774,512	\$0	\$774,512	(\$2,094,312
11	7,690,162	\$0.10	\$769,016	\$0	\$769,016	(\$1,325,296
12	7,635,203	\$0.10	\$763,520	\$0	\$763,520	(\$561,776)
13	7,580.244	\$0 10	\$758,024	\$0	\$758,024	\$196,249
14	7,525.285	\$0.10	\$752,528	\$0	\$75.2,528	\$948,777
15	7,470.320	\$0.10	\$747,033	\$0	\$747,033	\$1,695,810
16	7,415,367	\$0.10	\$741 537	\$0	\$741,537	\$2,437,346
17	7,350,407	\$0.10	\$736 041	\$()	\$736,041	\$3,173,387
18	7,305,448	SO 10	\$730.545	\$0	\$730,545	\$3,903,932
19	7.250.489	\$0.10	\$725,040	\$U	\$725,049	\$4,628.981
20	7,195,530	\$0.10	\$719,553	\$0	\$719,553	\$5,348,534
Total	154,352.840	,	\$15,435.284	\$0	\$15,435.284	100%

Annual kWh is the estimated production from your portion of the solar facility



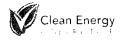
Reservation Form

Complete the following information to secure your capacity in the Clean Energy Collective RooflessSolar array. Space is limited, so this reservation form will hold your capacity for 90 days or until the terms of agreement are signed.

First Name.		
Last Name	_	
Title		
Business or Entity Name.		
Address		
7 (da) (da)		
City:	State. Zi	ıρ.
<u> </u>		
Phone	Email.	
THORIC		
Utility Account Number:		
Olding Accoon (Control		
Congritus Parayand	Subscription of Purchase	
Capacity Reserved.	ecost, priori of the steele	
	Dat∍.	
Signature:	Date.	

Once we receive your reservation details, we will confirm your SCE&G account, verify your annual usage, and provide a contract for your review with actual capacity, costs, and savings based on actual electric usage. Your ability to capture your maximum savings will depend on how much of that capacity can be allocated to you under the program rules, currently available capacity and your future energy savings plans. You will begin to receive your first credits shortly after the SCE&G Community Solar array begins producing local clean energy.

Note: This reservation agreement is non-binding. The information contained in this document has been prepared in good faith. All figures herein are only estimates of future production and savings. Actual solar production does vary and Clean Energy Collective shall bear no responsibility for variations between its projections and the actual realized performance. This document should not be considered as investment or tax advice, nor is it the offering of a financial instrument or security.



CAPACITY COMMITMENT AGREEMENT

This Capacity Commitment Agreement (the "Agreement") is effective as of _______, 2017 (the "Effective Date"), by and between CEC Development, LLC, a Colorado limited liability company (the "Company") and the City of North Augusta, a Public Entity (the "Customer"). Company and Customer are collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, the Company is a solar service provider in the business of developing eligible energy resource facilities that generate solar electricity that is sold to utilities in return for utility bill credits;

WHEREAS, South Carolina Electric & Gas Company (the "Utility") has entered into an agreement with Clean Energy Collective, LLC to develop certain solar energy facilities in connection with the SCE&G Distributed Energy Resource Program currently offered by Utility pursuant to Utility's Rider to Retail Rates – Community Solar, whereby the Utility purchases generated solar electricity in return for utility bill credits issued by the Utility (the "Bill Credits");

WHEREAS, each Facility will be owned from time to time by a special purposes limited liability project company subsidiary of Company or one of Company's Affiliates (each, a "*Project Company*").

WHEREAS, Customer desires to commit to subscribe from Company a total nameplate production capacity as described herein in one or more or more of Company's Facilities (the "Customer Commitment"), as such capacity becomes available and allocated to Customer in accordance with this Agreement;

WHEREAS, each such allocation shall be subscribed pursuant to the terms of the agreement attached as Exhibit A (the "Community Solar Subscription Agreement"), and incorporated herein by reference;

WHEREAS, Company desires to subscribe such Customer Commitment to Customer as capacity becomes available pursuant to the terms and conditions of such Community Solar Subscription Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. <u>Defined Terms</u>. If not defined in this Agreement, capitalized terms shall have the meanings set forth in the Community Solar Subscription Agreement, unless a different meaning is clearly indicated by the context.
- 2. <u>Term.</u> Company shall have four (4) years from the Effective Date of this Agreement (the "Fulfillment Period") to allocate the nameplate capacity in Company's Facilities described in Section 3 below to Customer, after which time, Company shall not be obligated to

allocate and Customer shall not be obligated to enter into any further Community Solar Subscription Agreements with respect to the Customer Commitment, provided however that the rights and obligations of each Community Solar Subscription Agreement executed by the parties thereto shall be unaffected by the expiration of the Fulfillment Period.

- 3. The Allocation of Capacity. During the Fulfillment Period, Company shall allocate to Customer from time to time up to 4,483 kW DC in aggregate nameplate capacity in various Facilities, by providing to Customer one or more agreements regarding such allocation substantially in the form of the Community Solar Subscription Agreement attached hereto. Customer shall execute such agreement(s) within ten (10) days of receipt thereof with a Project Company. Customer agrees to take no actions that will cause Customer to be ineligible to be allocated any portion of the Customer Commitment pursuant to this Agreement, due to exceeding any limitation applicable to Customer's receipt of Bill Credits under the terms and conditions of the Program.
- 4. <u>Assignment</u>. Customer shall not assign or transfer this Agreement without the prior written consent of Company, which shall not be unreasonably withheld. Company, upon written notice to Customer, shall be entitled to assign without the consent of Customer its rights, title and interest in and under this Agreement (i) to any lender(s) by way of security for the performance of obligations to such lender(s), (ii) to any affiliate, (iii) to any entity that purchases or acquires all or substantially all of Company's assets, and/or (iv) to any entity that acquires a controlling ownership interest in Company or other means of change of control by operation of law.
- 5. Governing Law. This Agreement will be governed by and construed in accordance with the laws of South Carolina.
- 6. Notices. In the event that any notice or other communication is required or permitted to be given hereunder, such notice or communications will be in writing and may be delivered in person or sent by certified mail, overnight courier or transmitted by facsimile to the address of the addressee as specified below. Except as otherwise provided, all such notices or other communications will be deemed to have been duly given and received upon receipt.

To Company: CEC Development, LLC 361 Centennial Parkway, Suite 300 Louisville, Colorado 80027 Attn: Tom Sweeney

With a copy by email to: tom.sweeney@easycleanenergy.com

To Customer:

City of North Augusta 100 Georgia Ave North Augusta, SC 29861 Attn: Todd Glover tglover@northaugusta.net

- 7. <u>Entire Agreement</u>. This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes any other agreement or understanding, written or oral.
- 8. <u>Modification and Waiver</u>. This Agreement may be modified, or any provision waived, only by a written instrument signed by both Parties.
- 9. <u>Authority</u>. The Parties represent and warrant that they have full authority to execute and deliver this Agreement and to perform their obligations under this Agreement, and that the person whose signature appears on this Agreement is duly authorized to enter into this Agreement on behalf of the respective Party.
- 10. <u>Severability</u>. Should any terms of this Agreement be declared void or unenforceable by any arbitrator or court of competent jurisdiction, such terms will be amended to achieve as nearly as possible the same economic effect for the Parties as the original terms and the remainder of this Agreement will remain in full force and effect.
- 11. <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single Agreement.

[Signatures on following page]

authorized representative as of the Effective Date above.

CEC Development, LLC

By: Clean Energy Collective, LLC

Its Manager

By: _____

Tom Sweeney, President

CUSTOMER

By: _____

Printed Name: _____

Title:

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its

EXHIBIT A

COMMUNITY SOLAR SUBSCRIPTION AGREEMENT

This Community Solar Subscription Agreement (the "Agreement") is entered into as of ________, 20____ (the "Effective Date") and is by and between CEC Development, LLC, a Colorado limited liability company (the "Company"), and _________, a _________, a _________, (the "Customer"). In this Agreement, Company and Customer are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Company is in the business of financing, developing, owning, operating and maintaining solar electric generation facilities.

WHEREAS, Customer is a municipal customer of South Carolina Electric & Gas Company (the "Utility") provided electric service under Utility's Rate 3, Municipal Power Service serving the address set forth in Appendix A (the "Utility Service Location"), and desires to participate in the SCE&G Distributed Energy Resource Program currently offered by the Utility pursuant to Utility's Rider to Retail Rates — Community Solar, pursuant to the terms of the Renewable Generator Credit Rate Agreement executed July 26, 2016 (the "Program"), as may be amended from time-to-time.

WHEREAS, Company has constructed or intends to construct an eligible energy resource facility as that term is defined in the Program at the location set forth in Appendix A (the "Facility"). Company will interconnect the Facility with the Utility pursuant to the terms of such Renewable Generator Credit Rate Agreement, generator interconnection agreement, any applicable tariff, or other agreements required to be executed with Utility (collectively, the "Interconnection and Credit Agreements" or "ICA") pursuant to which Company or its Affiliate will deliver power generated at the Facility to Utility, and Utility will provide credits on the bills for certain customers for power generated by the Facility ("Bill Credits"), as set forth in the ICA and the Program and as directed by Company or its Affiliate.

WHEREAS, Customer wishes to subscribe to a portion of the electric generating capacity of the Facility during the Term of this Agreement in order to receive Bill Credits from the Utility (the "Solar Interest").

WHEREAS, Customer wishes to appoint Company as Customer's sole and exclusive agent, with authority to exchange information with the Utility with respect to Customer's account for electric service at the Utility Service Location, to effectuate the terms of this Agreement, the ICA and the Program.

NOW, **THEREFORE**, in consideration of the foregoing recitals, the mutual promises, representations, warranties, covenants, conditions herein contained, and the appendices attached hereto, Company and Customer agree as follows:

1 DEFINITIONS

When used in this Agreement, the following terms shall have the meanings given below, unless a different meaning is expressed or clearly indicated by the context. Words defined in this Article 1 which are capitalized shall be given their common and ordinary meanings when they appear without capitalization in the text. Words not defined herein shall be given their common and ordinary meanings.

"Affiliate" means any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by or partnered with, or is under common control with the person or entity specified.

"Applicable Legal Requirements" means any present and future law, act, rule, requirement, order, by-law, ordinance, regulation, judgment, decree, or injunction of or by any Governmental Authority, ordinary or extraordinary, foreseen or unforeseen, and all licenses, permits, and other governmental consents, which may at any time be applicable to a Party's rights and obligations hereunder, including, without limitation, the construction, operation, and ownership of the Facility, as well as the Bill Credits distributed pursuant to the Program.

"Commercial Operations Date" means the date on which the Facility (i) generates electric energy on a commercial basis, and (ii) the interconnection to the local electrical distribution system has been authorized and is functioning with the Utility. Such date shall be specified by Company either in Appendix A to this Agreement, or by a separate notice provided to Customer pursuant to Section 2 of this Agreement.

"Confidential Information" means all oral and written information exchanged between the Parties which contains proprietary business or confidential information of a Party and is clearly marked, or designated, if oral, as "confidential" by such Party. The Parties agree that the provisions and specifics (but not the existence) of this Agreement constitute Confidential Information. The following exceptions, however, do not constitute Confidential Information for purposes of this Agreement: (a) information that is or becomes generally available to the public other than as a result of a disclosure by either Party in violation of this Agreement; (b) information that was already known by the receiving Party on a non-confidential basis prior to this Agreement; (c) information that becomes available to the receiving Party on a non-confidential basis from a source other than the disclosing Party if such source was not subject to any prohibition against disclosing the information to such Party; (d) information a Party is required to disclose in connection with any administrative or regulatory approval or filing process in connection with the conduct of its business or in accordance with any statute or regulations; (e) information disclosed pursuant to any applicable law, rule or regulation requiring such disclosure, or as compelled by legal process including pursuant to the order or requirement of a court, administrative agency, or other Governmental Authority, provided that, where allowable by law, notice to the disclosing Party is provided before compliance with such requirement and (f) information that is disclosed by the receiving Party with the prior written permission of the disclosing Party. Confidential Information does not include information regarding the size, technology and location of the Facility, the Customer's Allocation or Capacity, the Commercial Operations Date, or the Term of the Agreement.

- "Customer's Allocation" means the Customer's Capacity expressed in a percentage of the total nameplate capacity of the Facility. The Customer's Allocation in this Agreement is set forth in Appendix A.
- "Customer's Capacity" means the amount of capacity Customer subscribed to under this Agreement expressed in terms of kW rounded to the nearest full panel. Customer's Capacity shall include the Initial Capacity plus any increases made by the Company, if any, pursuant to Section 3.1. Customer's Capacity is set forth in Appendix A.
- "Customer's Solar Output" means the Facility Solar Output multiplied by the Customer's Allocation.
- "Environmental Attributes" means any credit, benefit, reduction, offset, financial incentive, and other beneficial allowance that is in effect as of the Effective Date or may come into effect in the future, including, to the extent applicable and without limitation, (i) all environmental and renewable energy attributes and credits of any kind and nature resulting from or associated with the Facility, its production capacity and/or electricity generation, (ii) government financial incentives, (iii) greenhouse gas offsets under the Regional Greenhouse Gas Initiative, (iv) renewable energy credits or renewable energy certificates (each referred to as "RECs") or any similar certificates or credits under the laws of any jurisdiction, including but not limited to Solar RECs, and (v) other allowances howsoever named or referred to, with respect to any and all fuel, emissions, air quality, or other environmental characteristics, resulting from the use of solar energy generation or the avoidance of the emission of any gas, chemical or other substance into the air, soil or water attributable to the Facility, its production capacity and/or electricity generation. For the avoidance of doubt, the term Environmental Attributes does not include Bill Credits as defined pursuant to this Agreement.
- "Estimated Initial Annual Customer's Solar Output" means the Customer's Solar Output estimated to occur during the 12-month period following the Commercial Operations Date.
- "Facility Meter" means a revenue-grade meter maintained by the Utility at the Facility and used to measure the electricity delivered by the Facility to such meter.
- "Facility Solar Output" means the total amount of electricity generated by the Facility and delivered to the Utility at the interconnection point from the Commercial Operations Date until the end of the Term, expressed in terms of kWh on a monthly or other basis.
- "Fair Market Value" means the value of the Selected Solar Panels at the time the Purchase Option is exercised, in place and in continued use, which would be obtained in an arm's length transaction between an informed and willing seller (under no compulsion to sell) and an informed and willing buyer (under no compulsion to purchase), taking into account the future revenue stream over the remaining useful life of the Selected Solar Panels, assuming that the Selected Solar Panels are in good condition, as determined by the Parties.

"Force Majeure" or "Force Majeure Event" means any event or circumstance not within the reasonable control of the affected Party which precludes that Party from carrying out, in whole or in part, its obligations under this Agreement, including, but not limited to, Acts of God, hurricanes or tornados, fires, epidemics, landslides, earthquakes, floods, other natural catastrophes, strikes, lock outs or other industrial disturbances. A Party may not assert an event of Force Majeure to excuse it from performing due to any governmental act, failure to act, or order, where it was reasonably within such Party's power to prevent such act, failure to act, or order. Notwithstanding the contrary, economic hardship or unavailability of funds shall not constitute a Force Majeure Event of either Party, and any such discretionary acts, failures to act or orders of any kind by Customer may not be asserted as an event of Force Majeure by Customer.

"Governmental Authority" means (i) any federal, state or local government, any political subdivision thereof or any other governmental, judicial, regulatory, public or statutory instrumentality, authority, body, agency, department, bureau, or entity, (ii) any independent system operator, or regional transmission owner or operator, and (iii) any transmission or distribution entity providing net metering, distribution or transmission services to the Facility, including the Utility.

"kWh" means kilowatt hour AC.

"kW" means kilowatt DC.

"Lender" means the entity or person(s) providing financing to Company in connection with the Facility.

"Ownership Agreement" means the agreement, in a form provided by Company, that Company and Customer will enter into upon Customer's execution of Customer's Purchase Option under Section 7 of this Agreement.

"Replacement Customer" means a customer of the Utility that is eligible to participate in the Program and is acceptable to Company in Company's sole discretion that takes over Customer's Capacity.

"Tax Incentives" means any tax credits, incentives or depreciation allowances established under any federal or state law, including without limitation investment tax credits (including any grants or payments in lieu thereof) and any tax deductions or other benefits under the Internal Revenue Code or applicable federal, state, or local law available as a result of the ownership and operation of the Facility or the output generated by the Facility (including, without limitation, tax credits (including any grants or payments in lieu thereof) and accelerated, bonus or other depreciation.

2 TERM

2.1 <u>Term.</u> The Term of this Agreement (the "*Term*") shall be the Initial Term plus any Extended Term, unless earlier terminated in accordance with this Agreement, in which case the Term shall expire on the effective date of such termination.

- 2.2 <u>Initial Term.</u> The Initial Term of this Agreement shall commence on the Effective Date and extend for twenty (20) years following the Commercial Operations Date stated on Appendix A (the "*Initial Term*"). If the Commercial Operations Date is not known by the Effective Date of this Agreement, the Company will provide the Customer with notice of the Commercial Operations Date once known. Appendix A will be updated after the Commercial Operations Date with the Commercial Operations Date, the Facility's total nameplate capacity, Customer's Allocation and the Estimated Initial Annual Customer's Solar Output. Such updated Appendix A shall be added to this Agreement without the need for additional consent or signature of the Parties.
- 2.3 Extended Term. In the event that the term of the ICA and Program is in effect beyond twenty (20) years after the Commercial Operations Date, this Agreement shall automatically extend for another fifteen (15) years; any such extension shall be referred to under this Agreement as an "Extended Term". This Agreement will be amended to reflect changes to the terms and conditions for the Extended Term. Customer may terminate this Agreement within thirty (30) days of Company providing Customer the amended terms without any Early Termination Fee.

3 CUSTOMER'S SUBSCRIPTION

- Capacity. Commencing on the Commercial Operations Date and continuing throughout the remainder of the Term, Customer agrees to subscribe to the Customer's Capacity of ____ kW (the "Initial Capacity"). Company may increase Customer's Capacity at any time by providing written notice and an updated Appendix A to Customer, if such increase does not violate the Program Limitations in Appendix C.
- 3.2 <u>Determination of Solar Output</u>. Customer acknowledges the measurement of Facility Solar Output shall be based upon readings at the Facility Meter.
- 3.3 Receipt of Bill Credits. Customer's eligibility to receive Bill Credits on Customer's Utility bills for the Utility Service Location is based on Customer's Solar Output and is according to the terms and conditions of this Agreement and the Program. Bill Credits are calculated pursuant to the Program. Bill Credits are applied solely by the Utility. Calculation of Customer's portion of Bill Credits to be applied on Customer's Utility bill shall be determined as shown in Appendix B. It is intended that Bill Credits conform to the limitations set forth in Appendix C.
- Title; Environmental Attributes and Tax Incentives Excluded. Subject to Section 7, Customer shall not be entitled to any ownership interest in, and as between Customer and Company, Company shall have title to, the Facility and all solar panels. Customer acknowledges and agrees that Customer's Solar Interest does not include any Environmental Attributes or Tax Incentives associated with the Facility, and Customer agrees that Customer will not claim the Environmental Attributes or Tax Incentives associated with the Facility.
- 3.5 <u>Payment to Utility</u>. Pursuant to the requirements and restrictions of the Program, Customer's Utility bill shall reflect the applicable Bill Credits as determined in accordance with Appendix B. Customer shall pay Customer's Utility bill on a timely basis in accordance with the Utility's general terms and conditions.

- 3.6 <u>Subscription Fee</u>. Customer shall pay a monthly fee to the Utility in the amount of \$0.20 per kW of Customer's Capacity for participation in the Program throughout the Term of this Agreement (the "Subscription Fee"). Such Subscription Fee will be included on the Customer's Utility bill. Customer shall pay such Subscription Fee in accordance with Utility's Rider to Retail Rates Community Solar.
- 3.7 <u>Taxes.</u> Customer shall be responsible for any applicable sales, use, import, excise, value added, or other taxes or levies (other than Company's income taxes) associated with this Agreement.

4 ACKNOWLEDGEMENTS REGARDING THE PROGRAM

- 4.1 <u>Program Limitations</u>. The Program imposes a limit on the total Customer's Capacity Customer may have (listed as the Program Limit in Appendix C). Customer agrees that Company is not obligated to request, and that the Utility is not obligated to make, any payment or Bill Credits to the extent Customer's Capacity exceeds those limitations. Furthermore, Company may decrease Customer's Capacity if such Customer's Capacity exceeds the Program limitations set forth in Appendix C. Customer acknowledges that the limitations set forth in Appendix C are derived from the Program, and that this Agreement will be deemed automatically amended to incorporate any changes to corresponding provisions in the Program.
- 4.2 <u>Program Requirements</u>. To participate in the Program and to be eligible for the Utility to post Bill Credits to Customer's Utility account based upon Customer's Solar Output, Customer must (i) be and remain a customer of the Utility for electric service throughout the Term of this Agreement, (ii) assist in designating Customer's Utility account to which the Utility can post Bill Credits (which shall be at the Utility Service Location shown in Appendix A unless changed pursuant to Section 6 below), and (iii) be and remain in compliance with all requirements of this Agreement, the Program and the Utility throughout the Term of this Agreement.
- 4.3 <u>Calculation of Bill Credits</u>. Bill Credits are calculated pursuant to the Program, and are in accordance with Utility's Rider to Retail Rates Community Solar. Customer acknowledges and agrees that Company's sole obligation regarding payments to Customer is to request and use commercially reasonable efforts to require Utility to deliver Bill Credits. The duration, terms and conditions of the Program, including the rate used to determine Bill Credits, are subject to the sole and exclusive control of Utility, and Company has not made any representations or warranties with respect to the expected duration of the Program or the amounts to be provided by Utility as Bill Credits.

5 APPOINTMENT OF COMPANY AS CUSTOMER'S AGENT

5.1 <u>Interaction with Utility</u>. Bill Credit information includes, but is not limited to the Customer's name, address, the Customer's Utility Service Location, the Utility account numbers associated with the Utility Service Location, the nameplate capacity of the

Selected Solar Panels, and the Customer's Solar Output (collectively the "Bill Credit Information"). Company agrees to be, and Customer hereby appoints Company, as Customer's exclusive representative for submitting Bill Credit Information to the Utility, with full power and authority to supply to the Utility such information as may be required by the Utility under the Program. This authorization does not restrict Customer from communicating with, instructing or directing the Utility with respect to other matters pertaining to electric service at the Utility Service Location, or asking the Utility questions regarding Customer's participation in the Program. In addition, Customer hereby authorizes the Utility to release to the Company the consumption and other account information of Customer to help the Company to carry out the terms of this Agreement and the Program, and agrees to execute any documents that either the Company or the Utility may request to permit the release of such information.

6 CHANGE OF CUSTOMER LOCATION; CAPACITY OPTIONS

- 6.1 Change in Location.
 - 6.1.1 <u>Advance Notice</u>. Customer agrees to provide Company with ninety (90) days advance notice of any change which may cause Customer to not be the Utility's customer at the Utility Service Location.
 - 6.1.2 New Location Within Utility Service Territory. Customer agrees that if Customer shall cease to be Utility's customer at the Utility Service Location and within thirty (30) days thereof moves to a new location within the service territory of Utility, that Customer will take all steps and provide all information required by Utility under the Program to substitute Customer's new service location as the Utility Service Location under this Agreement, and this Agreement shall continue in effect. Customer acknowledges that if the Utility Service Location or any new service location exceeds the Program Limit set forth in Appendix C or otherwise does not comply with the Utility's requirements, Customer's ability to participate in the Program may cease or be limited in accordance with Program requirements.
 - 6.1.3 Other Termination of Utility Service. If Customer ceases to be a Utility customer for electric service at the Utility Service Location and does not comply with Section 6.1.2, Customer may terminate this Agreement in accordance with Section 10.4.
- 6.2 Increase in Capacity. At any time during the Term of this Agreement, Customer may request an increase in Customer's Capacity at Customer's Utility Service Location, and provided that Company has adequate solar array capacity available and Customer meets Utility and Program requirements, Company will increase Customer's Capacity upon verification by the Utility following the receipt of Customer's request, which may take up to ninety (90) days after request. Any increase in Customer's Capacity at Customer's Utility Service Location will be subject to limits imposed by the Program and as identified in Appendix C hereto.

6.3 <u>Decrease in Capacity</u>. At any time during the Term of this Agreement, Customer may request a decrease in Customer's Capacity at Customer's Utility Service Location. Customer will be charged a downsize fee in the amount of \$50.00 per kW of decrease in Customer's Capacity below the Initial Capacity (the "Downsize Fee"), to be paid to Company within thirty (30) days after such request. Within thirty (30) days of Company's receipt of (i) Customer's written request for a decrease and (ii) payment of the Downsize Fee, Company will take the necessary steps to reduce Customer's Capacity and provide Customer with electronic notice of the new capacity and projected date for its commencement, which may be up to ninety (90) days after the submission of Customer's request. Furthermore, a Downsize Fee will be charged to Customer, if Company decreases Customer's Capacity to keep Customer in compliance with the Program Limitations. No Downsize Fee shall be assessed at the time of decreasing Customer's Capacity in accordance with this Section, on any portion of Customer's Capacity for which Customer has found a Replacement Customer. All Parties to this Agreement agree and acknowledge that the Company will have suffered damages on account of the decreasing capacity and that, in view of the difficulty in ascertaining the amount of such damages, the Downsize Fee constitutes reasonable compensation and liquidated damages to compensate the Company on account thereof.

7 PURCHASE OPTION

- 7.1 <u>Panel Purchase Option</u>. Customer has subscribed to an interest in Customer's Capacity in the Facility. Provided this Agreement has not been terminated, Customer may also, if Customer chooses, elect to purchase the physical solar panels in the Facility proportionate to Customer's Capacity (the "Selected Solar Panels"), at such time and upon the terms and conditions set forth herein (the "Purchase Option").
- 7.2 Exercise of Panel Purchase Option. Customer may purchase the Selected Solar Panels from Company on an AS IS BASIS for the Purchase Price set forth in Section 7.4, plus any applicable taxes, within sixty (60) days of any of the following dates: (i) six (6) years after the Commercial Operations Date (the "First Option Period"), (ii) eleven (11) years after the Commercial Operations Date (the "Second Option Period"), (iii) sixteen (16) years after the Commercial Operations Date (the "Third Option Period"), or (iv) twenty (20) years after the Commercial Operations Date (the "Fourth Option Period"), (the "Exercise Date"), so long as Customer is not in default of this Agreement and this Agreement has not been terminated. Customer must give Company at least thirty (30) days, but no more than ninety (90) days, prior written notice of its election to exercise this option to purchase (the "Purchase Notice"). Upon payment of the Purchase Price and execution of the Ownership Agreement in the form then offered by the Company, Company will convey ownership of the Selected Solar Panels by a bill of sale. No Early Termination Fee will be assessed for the capacity converted to ownership in accordance with this Section 7.
- 7.3 Continuing Participation in Program. The Ownership Agreement offered pursuant to Section 7.2 shall provide for a term for the remainder of the Term in this Agreement for as long as the Program shall be in effect, subject to the terms and conditions of the ICA and the Program, and subject to such early termination events as Company may

determine to include in such Ownership Agreement. The terms and conditions set forth in the Ownership Agreement shall supersede any prior agreements between the Parties hereto. The Ownership Agreement shall also state that Customer, subject to the requirements and limitations of the Program, shall have the right to retain 100% of the Bill Credits attributable to Customer's Solar Output, subject to other applicable Program fees.

7.4 Panel Purchase Price.

- 7.4.1 The "*Purchase Price*" of the Selected Solar Panels shall be the Fair Market Value of the Selected Solar Panels at the time of exercising the Purchase Option.
- 7.4.2 If the Parties cannot agree to the Fair Market Value, Company shall provide Customer with the names of three independent appraisers certified by the American Society of Appraisers with experience and expertise in the solar photovoltaic industry within twenty (20) days after receipt of the Purchase Notice. Within ten (10) business days thereafter, Customer shall select one of such appraisers to determine the Fair Market Value of the Selected Solar Panels. Such appraiser shall act reasonably and in good faith and be instructed to perform its appraisal of the Fair Market Value based upon the assumptions specified in the Fair Market Value definition in this Agreement and shall set forth such determination in a written opinion delivered to the Parties. Any such appraisal shall be final and binding on Company and Customer and shall have the legal effect of an arbitration award. The costs of the appraisal shall be borne by the Parties equally. Notwithstanding any other provision of this Agreement to the contrary, in the event Customer has elected to purchase the Selected Solar Panels before the Fair Market Value is finally determined, then Customer shall have the right to withdraw such election without liability or obligation to Company within thirty (30) days after the date upon which Customer receives notice of the final determination of such Fair Market Value.
- 7.5 <u>DISCLAIMER OF WARRANTY:</u> CUSTOMER ACKNOWLEDGES THAT IF CUSTOMER EXERCISES THE OPTION TO PURCHASE THE SELECTED SOLAR PANELS, CUSTOMER IS PURCHASING THEM ON AN AS-IS BASIS, SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

8 REPRESENTATIONS AND WARRANTIES; ACKNOWLEDGEMENTS; COVENANTS

- 8.1 <u>Representations and Warranties</u>. As of the Effective Date, each Party represents and warrants to the other Party as follows.
 - 8.1.1 The Company is duly organized, validly existing, and in good standing under the laws of the State of Colorado. The Customer is duly organized, validly existing, and in good standing under the laws of the State of South Carolina.
 - 8.1.2 The Party has full legal capacity to enter into and perform this Agreement.

- 8.1.3 The execution of the Agreement has been duly authorized, and each person executing the Agreement on behalf of the Party has full authority to do so and to fully bind the Party.
- 8.1.4 The execution and delivery of this Agreement and the performance of the obligations hereunder will not violate any Applicable Legal Requirement, any order of any court or other agency of government, or any provision of any agreement or other instrument to which the Party is bound.
- 8.1.5 There is no litigation, arbitration, administrative proceeding, or bankruptcy proceeding pending or being contemplated by the Party, or to the Party's knowledge, threatened against the Party, that would materially and adversely affect the validity or enforceability of this Agreement or the Party's ability to carry out the Party's obligations hereunder.

8.2 <u>Customer's Additional Warranties</u>.

- 8.2.1 <u>Provision of Information to Utility</u>. Customer shall provide to Utility all applications, documentation and information required by Utility and otherwise to qualify Customer to participate in the Program.
- 8.2.2 <u>Maximum Capacity</u>. Customer's Capacity does not and shall not exceed the limitations set forth in Appendix C. Customer acknowledges that Utility is not obligated to make any payment or Bill Credit to the extent Customer's Capacity exceeds those limitations.
- 8.2.3 No Other Assignment or Authorization. Customer has not assigned or sold Customer's Capacity, Solar Interest, or Customer's Solar Output to any other person or entity, and will not do so during the Term of this Agreement, except as permitted under this Agreement. Customer has not provided any other person or entity any of the authority granted to Company under this Agreement and will not do so during the Term of this Agreement.
- 8.2.4 No Liens or Encumbrances. Customer has not granted or placed or allowed others to place any liens, security interests, or other encumbrances on the Customer's Capacity, Solar Interest, or Customer's Solar Output and will not do so during the Term of this Agreement.
- 8.2.5 No Guaranteed Solar Output. Customer understands that the Customer's Solar Output will vary from time to time based upon solar availability, weather, seasonality, degradation and other conditions. Customer understands that Company has not guaranteed or made any representations or warranties that the operation of the Facility will be uninterrupted or error free, or that any minimum Customer's Solar Output or Bill Credits shall be obtained.
- 8.2.6 <u>Utility Bill</u>. Customer agrees to keep its Utility account for the Utility Service Location in active status, and to pay on a current basis such amounts as may be due the Utility in connection with such account. Customer shall make no claim

against Company or Company's affiliates or assigns for amounts which may be payable to Customer from the Utility under the Program or in connection with this Agreement.

8.3 <u>Company's Additional Warranties</u>. In connection with this Agreement, Company agrees that Company at all times shall perform Company's obligations under the Program, and that Company will exercise commercially reasonable efforts to maintain the Program in effect for the Term of this Agreement. Company will comply with applicable federal, state and local laws, orders and regulations relating to Company's performance pursuant to the terms of this Agreement.

9 OPERATIONS AND MAINTENANCE

9.1 Operations and Maintenance Services. The Utility has agreed that, beginning on the Commercial Operations Date through the end of the Term, the Utility will be responsible for the operation and maintenance of the Facility. Company will own, operate and insure the Facility. The Utility has agreed that the Utility will provide customary maintenance services and repairs designed to keep the Facility in good working condition.

10 TERMINATION

- 10.1 <u>Termination of Program by Utility</u>. In the event Utility ceases to offer the Program or a comparable substitute, or in the event that there is a change in the Program or laws or regulations relating thereto such that the Customer is no longer eligible to participate in the Program, then either Party may terminate this Agreement after the Utility ceases to provide the Customer Bill Credits thereunder.
- 10.2 <u>Termination Based on Lease</u>. If the lease where the Facility is located (the "*Lease*") is not extended past the initial term of the Lease for any reason or an additional Lease extension is not exercised, this Agreement will terminate at such time without liability to either Party. In any case, this Agreement shall terminate upon the termination of the Lease.

10.3 Event of Default; Termination for Default.

- 10.3.1 <u>Customer Default</u>. Each of the following events will constitute a default on the part of Customer (a "*Customer Default*"):
 - a) Customer fails to pay its Utility bill when due, and such failure continues for an additional thirty (30) days after such amount is due. Customer fails to pay its Subscription Fee when due, and such failure continues for an additional thirty (30) days after such amount is due.
 - b) Customer breaches any warranty or representation of Company set forth in this Agreement, or fails to perform any material obligation of this Agreement, and such breach or failure is not cured by Customer within thirty (30) days after Customer receives written notice of such breach or failure from Company.

- c) Customer institutes or consents to any proceeding in bankruptcy pertaining to Customer or its property; or fails to obtain the dismissal of any such proceeding within thirty days of filing; or a receiver, trustee or similar official is appointed for Customer or substantially all of Customer's property or assets; or such property or assets become subject to attachment, execution or other judicial seizure; or Customer is adjudicated to be insolvent.
- d) Customer attempts to claim any RECs, Environmental Attributes or Tax Incentives in connection with the Facility or Customer's Solar Interest.
- 10.3.2 <u>Company Default</u>. Each of the following events will constitute a default on the part of Company (a "*Company Default*") provided there is no concurrent Customer Default:
 - a) Company breaches any warranty or representation of Customer set forth in this Agreement, or fails to perform any material obligation of this Agreement, and such breach or failure is not cured by Company within thirty (30) days after Company receives written notice of such breach or failure from Customer, or, if such breach of failure is not capable of cure within such thirty (30) day period, then Company (i) fails to begin such cure within ten (10) days of such written notice or (ii) to complete the cure of such breach or failure with sixty (60) days of such written notice using diligent efforts.
- 10.3.3 <u>Company's Remedies for Customer Default</u>. If a Customer Default occurs and is continuing after the expiration of the cure period applicable thereto, Company shall be entitled to withhold Bill Credits, terminate this Agreement for breach, and/or to seek such remedies as are available to Company at law or in equity including specific performance.
- 10.3.4 <u>Customer's Remedies for Company Default</u>. If a Company Default occurs and is continuing after the expiration of the cure period applicable thereto, then, Customer may terminate this Agreement by written notice to Company without further obligation.
- 10.4 <u>Termination for Convenience</u>. Customer may terminate this Agreement at any time for any reason with forty-five (45) days prior written notice to the Company. If this Agreement is terminated pursuant to this Section, then all Bill Credits received by Customer prior to such termination shall be retained by Customer and Customer agrees to pay an early termination fee in the amount of \$50.00 per kW of Initial Capacity and any Customer requested increases in Capacity within forty-five (45) days of Customer's termination notice (the "*Early Termination Fee*"). This Agreement shall not terminate pursuant to this Section 10.4, until Company receives the Early Termination Fee in accordance with this Section. No Early Termination Fee shall be assessed under this Section on any portion of Customer's Capacity for which, if at the time of termination in accordance with this Section, Customer has found a Replacement Customer. All Parties to this Agreement agree and acknowledge that the Company will have suffered

- damages on account of the early termination of this Agreement and that, in view of the difficulty in ascertaining the amount of such damages, the Early Termination Fee constitutes reasonable compensation and liquidated damages to compensate the Company on account thereof. Failure to provide forty-five (45) days prior written notice may result in the loss of Bill Credits accrued for production during the month of termination.
- 10.5 Force Majeure. Except as specifically provided herein, if by reason of Force Majeure, a Party is unable to carry out, either in whole or in part, any of its obligations herein contained, such Party (the "Affected Party") shall not be deemed to be in default during the continuation of such inability, provided that: (i) the Affected Party, within two (2) weeks after being affected by the Force Majeure event, gives the other Party hereto written notice describing the particulars of the occurrence and the anticipated period of delay; (ii) the suspension of performance be of no greater scope and of no longer duration than is required by the Force Majeure event; (iii) no obligations of the Affected Party which were to be performed prior to the Force Majeure event shall be excused as a result of the occurrence thereof; and (iv) the Affected Party shall use commercially reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its obligations. If any Force Majeure Event lasts longer than ninety (90) days from the receipt of notice of the Force Majeure Event, and the Affected Party determines in good faith that such Force Majeure Event substantially prevents, hinders or delays the Affected Party's performance of any of its obligations, then the Affected Party may upon written notice terminate the Agreement.
- 10.6 Early Termination. Either Party may terminate this Agreement without penalty or any liability if Company has not achieved the Commercial Operations Date within eighteen (18) months after the Effective Date; provided that such eighteen-month period shall be extended on a day-for-day basis for any delay in achieving the Commercial Operations Date due to Force Majeure Event or action or inaction on the part of Customer. Such right of termination shall be subject to the terminating Party giving the other Party notice of termination within thirty (30) days after the expiration of such eighteen-month period (as extended, if applicable), in which case this Agreement shall terminate without further liability on the part of either Party.
- 10.7 <u>Effect of Termination</u>. Upon termination of this Agreement, Company shall notify the Utility promptly to stop any future Bill Credits allocation to Customer forthwith. In connection with the foregoing sentence, Customer and Company agree to execute any documents as may be reasonably required by the Utility.

11 LIMITATIONS OF LIABILITY

11.1 <u>Limitation of Liability</u>. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, (1) LIABILITY OF EACH PARTY UNDER THIS AGREEMENT SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY AND (2) SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND (3) ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR

CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS AND EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND SUBJECT TO THE PROVISIONS OF SECTION 14.8 (HOLD HARMLESS), IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

11.2 COMPANY DOES NOT REPRESENT OR WARRANT ANY MINIMUM PRODUCTION, SOLAR OUTPUT, OR BILL CREDIT AMOUNT. COMPANY DOES NOT SELL, TRANSMIT OR DISTRIBUTE SOLAR ELECTRICITY TO CUSTOMER UNDER THIS AGREEMENT. COMPANY DOES NOT PROVIDE CUSTOMER WITH OWNERSHIP OF, OR ANY INTEREST IN, ANY UTILITY INCENTIVES, TAX INCENTIVES, TAX ATTRIBUTES, ENVIRONMENTAL ATTRIBUTES, ENVIRONMENTAL INCENTIVES, OR RENEWABLE ENERGY CREDITS UNDER THIS AGREEMENT, ALL OF WHICH WILL BE OWNED BY COMPANY OR UTILITY AND USED BY COMPANY OR UTILITY AS COMPANY OR UTILITY MAY DETERMINE FROM TIME TO TIME.

12 ASSIGNMENT

- 12.1 Prior Written Consent. Neither Party shall assign or in any manner transfer this Agreement or any part thereof without the prior written consent of the other Parties, which consent may not be unreasonably conditioned, withheld or delayed. Notwithstanding the foregoing, Company is expressly permitted to assign its rights and responsibilities under this Agreement, without obtaining Customer's consent and in its sole discretion, (1) to any entity owned or controlled by Company or under common ownership or control with Company, (2) upon the sale of all or substantially all of the assets or membership interest in the Company or (3) in connection with the financing of the Facility.
- 12.2 Collateral Assignment; Financing Provisions.
 - 12.2.1 <u>Financing Arrangements</u>. Company may mortgage, pledge, grant security interests, assign, or otherwise encumber its interests in this Agreement to any persons in connection with financing for the Facility. Customer acknowledges that in connection with such transactions Company may secure Company's obligations by, among other collateral, an assignment of this Agreement and a first security interest in the Facility. In order to facilitate such necessary sale, conveyance, or financing, and with respect to any lender or lessor, as applicable, Customer agrees as follows:
 - 12.2.1.1 <u>Consent to Collateral Assignment</u>. Customer hereby consents to (A) the sale or collateral assignment of Company's right, title and interest in the

Facility to a Lender and (B) the collateral assignment for the financing of the Company's right, title and interest in and to this Agreement.

- 12.2.1.2 <u>Rights of Lender.</u> Notwithstanding any contrary term of this Agreement:
- (A) <u>Step-In Rights.</u> The Lender, as owner or collateral assignee of the Facility, or as collateral assignee of this Agreement, shall be entitled to exercise, in the place and stead of Company, any and all rights and remedies of Company under this Agreement in accordance with the terms of this Agreement. The Lender shall also be entitled to exercise all rights and remedies of owners or secured parties, respectively, generally with respect to this Agreement and the Facility;
- (B) Opportunity to Cure Default. The Lender shall have the right, but not the obligation, to pay all sums due under this Agreement and to perform any other act, duty or obligation required of Company hereunder or cause to be cured any default of Company hereunder in the time and manner provided by the terms of this Agreement. Nothing herein requires the Lender to cure any default of Company under this Agreement or (unless the Lender has succeeded to Company's interests under this Agreement) to perform any act, duty or obligation of Company under this Agreement, but Customer hereby gives it the option to do so;
- (C) Exercise of Remedies. Upon the exercise of remedies, including any sale of the Facility by the Lender, whether by judicial proceeding or under any power of sale contained therein, or any conveyance from Company to the Lender (or any assignee of the Lender as defined below) in lieu thereof, it is anticipated that the Lender shall give notice to Customer of the transferee or assignee of this Agreement. Any such exercise of remedies shall not constitute a default under this Agreement;
- (D) <u>Cure of Bankruptcy Rejection</u>. Upon any rejection or other termination of this Agreement pursuant to any process undertaken with respect to Company under the United States Bankruptcy Code, at the request of Lender made within ninety (90) days of such termination or rejection, Customer may, in Customer's complete discretion, elect to enter into a new agreement with Lender or its assignee having substantially the same terms and conditions as this Agreement.

12.2.1.3 Right to Cure.

(A) <u>Cure Period</u>. Customer will not exercise any right to terminate or suspend this Agreement unless it shall have given the Lender prior written notice of its intent to terminate or suspend this Agreement, as required by this Agreement, specifying the condition giving rise to such right, and the Lender

shall not have caused to be cured the condition giving rise to the right of termination or suspension within thirty (30) days after such notice or (if longer) the periods provided for in this Agreement; provided that if such default reasonably cannot be cured by the Lender within such period and the Lender commences and continuously pursues cure of such default within such period, such period for cure shall be extended by the time reasonably necessary to cure the same, provided that the Lender continues to use commercially reasonable efforts to effect such cure. The Parties' respective obligations will otherwise remain in effect during any cure period.

- (B) <u>Continuation of Agreement</u>. If the Lender or its assignee (including any purchaser or transferee), pursuant to an exercise of remedies by the Lender, shall acquire title to or control of Company's assets and shall, within the time periods described in Section 12.2.1.3(A), cure all material defaults under this Agreement existing as of the date of such change in title or control in the manner required by this Agreement, and which are capable of cure by a third person or entity, then the Lender or its assignee shall no longer be in default under this Agreement, and provided that after such change in title or control Customer shall continue to receive all the Bill Credits due to it as set forth in this Agreement, this Agreement shall continue in full force and effect.
- 12.2.2 <u>Lender a Third Party Beneficiary</u>. Customer agrees and acknowledges that Lender is a third party beneficiary of the provisions of this Section 12.2.
- 12.2.3 Entry to Consent to Assignment. Customer agrees within ten (10) days of any request of Company therefor, to (i) execute any consents to assignment or acknowledgements and (ii) provide such opinions of counsel concerning Customer's legal status and authority as may be reasonably requested by Company and/or Lender in connection with the financing or sale of the Facility, pursuant to this Section 12.2.

13 AMENDMENT FOR FINANCING

Obligation to Modify the Agreement for Financing. If a Lender requires this Agreement to be modified, or if Company determines that the Agreement needs to be modified in order to finance, develop or operate the Facility, the Parties shall enter into negotiations to amend this Agreement to materially conform to such requirements and to the original intent of this Agreement in a timely manner. If the Parties, negotiating in good faith, cannot agree on such amendments, or if Company determines in good faith that the Agreement cannot be amended to allow the Facility to be financed, developed or operated in a commercially reasonable manner, then Company shall have the option, but not the obligation, to terminate this Agreement upon thirty (30) days prior written notice to Customer without further liability on the part of either Party, provided that the Customer and Company shall not be released from any payment or other obligations arising under this Agreement prior to such termination.

14 MISCELLANEOUS

14.1 <u>Notices</u>. All notices and other formal communications which a Party may give to the other under or in connection with this Agreement shall be in writing (except where expressly provided for otherwise), shall be effective upon receipt, and shall be sent by any of the following methods: electronic notification via MyOwnCleanEnergy; hand delivery; reputable overnight courier; or certified mail, return receipt requested, and shall be sent to the following addresses:

If to Company: CEC Development, LLC

c/o Clean Energy Collective, LLC 361 Centennial Parkway, 3rd Floor

Louisville, CO 80027

Attn: Tom Sweeney, President

with a copy by email to Tom.Sweeney@easycleanenergy.com

If to Customer: [Name]

[Address]
[Contact]

Any Party may change its address and contact person for the purposes of this Section by giving notice thereof in the manner required herein.

- 14.2 <u>Confidentiality</u>. Except as provided in this Section 14.2, no Party shall publish, disclose, use or otherwise divulge Confidential Information to any person at any time during or after the Term of this Agreement, without the other Parties' prior express written consent.
 - 14.2.1 Each Party shall permit knowledge of and access to Confidential Information only to those of its affiliates, attorneys, accountants, representatives, agents, advisers, investors, providers of financing, directors, officers and employees who have a need to know related to this Agreement and in the case of the Company, to the Utility.
 - 14.2.2 If required by any law, statute, ordinance, decision, or regulation or pursuant to any order issued by a court, governmental agency or authority having jurisdiction over a Party, that Party, upon giving notice to the other Party if permissible by law, may release or disclose Confidential Information, or a portion thereof, as required by applicable law, statute, ordinance, decision, order or regulation, and a Party may disclose Confidential Information to accountants in connection with audits.
 - 14.3 Severability. If any article, section, phrase or portion of this Agreement is, for any reason, held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such article, section, phrase, or portion so adjudged will be deemed separate, severable and independent and the remainder of this Agreement will be and remain in full force and effect and will not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication, provided the basic purpose of this Agreement and the benefits to the Parties are not substantially impaired, and provided further,

- however, that the Parties shall enter into negotiations concerning the terms affected by such decisions for the purpose of achieving conformity with requirements of any Applicable Legal Requirements and the intent of the Parties.
- 14.4 <u>Governing Law</u>. This Agreement and the rights and duties of the Parties hereunder shall be governed by and shall be construed, enforced and performed in accordance with the laws of the State of <u>South Carolina</u> without regard to principles of conflicts of law.
- 14.5 <u>Dispute Resolution</u>. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures of this Section 14.5 shall be the exclusive mechanism to resolve disputes arising under this Agreement.
 - 14.5.1 Any dispute that arises under or with respect to this Agreement that cannot be resolved shall in the first instance be the subject of formal negotiations between respective executive officers of each Party. The dispute shall be considered to have arisen when one Party sends the other Party a written notice of dispute. The period for formal negotiations shall be fourteen (14) days from receipt of the written notice of dispute unless such time period is modified by written agreement of the Parties.
 - 14.5.2 In the event that the Parties cannot timely resolve a dispute by informal negotiations, the sole venue for judicial enforcement shall be the Circuit Courts of South Carolina. Each Party hereby consents to the jurisdiction of such courts, and to service of process in the State of South Carolina in respect of actions, suits or proceedings arising out of or in connection with this Agreement or the transactions contemplated by this Agreement.
 - 14.5.3 Notwithstanding the foregoing, injunctive relief from such court may be sought without resorting to a form of alternative dispute resolution to prevent irreparable harm that would be caused by a breach of this Agreement.
- 14.6 <u>Entire Agreement</u>. This Agreement, together with its appendices, exhibits, contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all other understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof.
- 14.7 Press Releases. Customer authorizes Company and Company's Affiliates to use Customer's name and the nameplate capacity allocated to Customer hereunder (such information referenced herein as Customer's "Customer Information") for reporting purposes, such as official reporting to governmental authorities, the Utility, public utility commissions and similar organizations, and in oral communications. Company must seek Customer's written consent to use the Customer Information for written or digital marketing materials or press releases. Company agrees that following written notice from Customer to opt into Company's marketing program, Company may identify Customer by name in Company's written or digital marketing materials or press releases. Under no circumstances, except as required by law and as otherwise provided in this Agreement, will Company release or otherwise publish any information collected from Customer other than the above Customer Information.

- 14.8 <u>Hold Harmless</u>. To the extent permitted by law, each Party shall hold harmless the other Party and its Affiliates, directors, officers, managers, members, partners, employees, representatives, agents and affiliates (together, "*Related Parties*") from and against any and all claims, demands, losses, damages, liabilities, legal proceedings, judgments and awards, costs and expenses (including but not limited to reasonable attorneys' fees) arising directly or indirectly in whole or in part out of personal injury (including death) and property damage (real and personal) arising out of such Party's act or omission. To the extent permitted by law, Customer shall hold Company and its Related Parties harmless from any and all claims, liability, charges, actions, and demands arising out of or relating to: (a) breach of any of the Customer's representations, warranties or covenants contained in this Agreement; or (b) amounts owed by Customer to Utility or actions taken by Company with respect to Customer's Utility account.
- 14.9 <u>No Joint Venture</u>. Each Party will perform all obligations under this Agreement as an independent contractor. Nothing herein contained shall be deemed to constitute any Party a partner, agent or legal representative of the other Party or to create a joint venture, partnership, agency or any relationship between the Parties. The obligations of each Party hereunder are individual and neither collective nor joint in nature.
- 14.10 Applicability of the Freedom of Information Act. The parties acknowledge and agree (a) that the Customer is required to comply with the Freedom of Information Act for South Carolina, and (b) that the terms of this Agreement contain and constitute confidential and privileged market information and trade secrets of Company, which if disclosed to Company's competitors could harm the Company. The Customer agrees to not disclose the terms hereof to any other entity or person, except for the limited purpose of facilitating the business relationship with Company and the transactions contemplated herein or as may be required under the Freedom of Information Act or other requirements of law. Customer will advise Company of any request for the foregoing information under the Freedom of Information Act.
- 14.11 Governmental Immunity. Customer and its officers, attorneys and employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by S.C. Code § 15-78-10, et seq. (1986), or otherwise available to Customer and its officers, attorneys or employees under law or regulation.
- 14.12 <u>Annual Appropriation</u>. Company acknowledges and agrees that in accordance with South Carolina constitutional restrictions, Customer has appropriated funds necessary to satisfy the payments that are required to fulfill its obligations under this Agreement for the initial year of the Term of this Agreement. The payment of any compensation due under this Agreement for any year beyond the first year provided for herein is contingent upon annual appropriation of funds in accordance with applicable law. During the Term of this Agreement, Customer agrees in good faith to include the amounts to become due under this Agreement in Customer's budget request for each fiscal year for funding Customer's energy costs. In any fiscal year, Customer's failure to appropriate for the purchase of electricity from any source at any of Customer's locations for a future fiscal year, including the encumbrance for this Agreement, will be a non-appropriation event (a "Non-

Appropriation Event"). If a Non-Appropriation Event occurs, Company may terminate this Agreement in its sole discretion, without further obligation by either Party. Customer will not have the right to receive Bill Credits during the occurrence of a Non-Appropriation Event. Company may transfer all or a portion of Customer's Capacity to another customer for the duration of a Non-Appropriation Event. If Company chooses not to terminate this Agreement for a Non-Appropriation Event, Customer will in good faith continue to include the amounts to become due in each subsequent fiscal year of the Term in Customer's budget request for funding of Customer's energy costs for each fiscal year, and if an appropriation for funds is made for a future fiscal year, the Company's respective obligations under this Agreement will be reinstated. If Customer makes five (5) successive annual requests to appropriate funds for electricity purchases that are denied, Customer will no longer be obligated to make further annual appropriation requests under this Agreement and this Agreement shall terminate without further obligation of either Party.

- 14.13 Amendments; Binding Effect; Waiver. This Agreement may not be amended, changed, modified, or altered unless such amendment, change, modification, or alteration is in writing and signed by all of the Parties to this Agreement or its respective successor in interest. This Agreement inures to the benefit of and is binding upon the Parties and each of their respective successors and permitted assigns. No waiver of any provision of this Agreement will be binding unless executed in writing by the Party making the waiver.
- 14.14 <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or PDF transmission will be deemed as effective as delivery of an originally executed counterpart.
- 14.15 <u>Further Assurances</u>. From time to time and at any time at and after the execution of this Agreement, each Party shall execute, acknowledge and deliver such documents and assurances, reasonably requested by the other and shall take any other action consistent with the terms of the Agreement that may be reasonably requested by the other for the purpose of effecting or confirming any of the transactions contemplated by this Agreement. No Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this Section.
- 14.16 <u>Survival</u>. The provisions of Sections 3.4, 5, 7.5, 8.2, 10, 11, 12.2, and 14 shall survive the expiration or earlier termination of this Agreement.
- 14.17 No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties hereto. Except as expressly set forth in this Agreement, nothing in this Agreement shall be construed to create any duty to or standard of care with reference to, or any liability to, or any benefit for, any person not a Party to this Agreement, except that this Section 14.17 shall not limit the rights of a Lender pursuant to Section 12.2.

[Signature page to follow.]

Appendix A

Customer and Facility Information

(This Appendix will be completed and an updated copy of this Appendix will be provided upon the Commercial Operations Date of the Facility.)

Facility Name: [FACILITY NAME]

Facility Company Name: [FACILITY SPV NAME]

Facility Location: [FACILITY ADDRESS]

Facility Nameplate Capacity (kW):

replate [TOTAL KW OF FACILITY]

Commercial Operations

[FACILITY INTERCONNECTION DATE]

Date:

Effective Date: [EFFECTIVE DATE]

Customer Name(s): [CUSTOMER]

Email: [CUSTOMER EMAIL]

Tel: [CUSTOMER PHONE]

Customer Utility Account Capacity Allocation (%) Estimated Initial Service Location Number (kW) Annual Customer's Solar Output (kWh)

CUSTOMER
By:
Name:
Title:
COMPANY
CEC Development, LLC
By: Clean Energy Collective, LLC
Its Manager
By: Tom Sweeney, President

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

List of Appendices to Agreement

Appendix A: Customer and Facility Information

Appendix B: Bill Credit Calculations
Appendix C: Program Limitations

Appendix B

Bill Credit Calculations

Customer shall, subject to the requirements and limitations of the Program and this Agreement, be eligible to receive the Bill Credits attributable to Customer's Solar Output from the Utility. The amount of Bill Credits for which Customer is eligible shall be calculated by multiplying Customer's Solar Output by the Utility credit rate of \$0.10 per kWh (the "Solar Credit") less the Energy Payment to the Company from the Utility, fixed for 20 years. Customer shall retain 10% of the Solar Credits, which pursuant to the Program, the Utility will apply to Customer's normal electric charges on the Utility bill as Bill Credits.

Bill Credits = Customer's Solar Output * (Utility Bill Credit Rate of \$0.10 per kWh – Energy Payment of \$0.09 per kWh)

Bill Credits = 10% of Solar Credit

Energy Payment = 90% of Solar Credit

Company anticipates that Bill Credits will reduce the amount owed on the Customer's Utility bill. Should the Bill Credits exceed the amount owed on Customer's Utility bill, Company anticipates that the excess Bill Credits, if any, will be rolled over and applied to future months' billings. Company anticipates that such excess Bill Credits will be evaluated for total balances amounting to \$600 or greater. Should Customer's accrued excess Bill Credits, combined with any other excess credits accrued on Customer's Utility account exceed a \$600 credit balance, the Utility may remit to Customer a check for Customer's Utility account balance.

Appendix C

Program Limitations

The Program Limitation under this Agreement is equal to the capacity suitable to supply one hundred percent (100%) of Customer's electric energy usage during the most recent 12-month billing period. Customer agrees that the Estimated Initial Annual Customer's Solar Output from Customer's Capacity as set forth in Appendix A shall not exceed the Program Limitation. The maximum participation cap for a Commercial Customer is 1,000 kW AC (1,300 kW DC) per account number.

In addition, Customer acknowledges that Customer's Utility Service Location is eligible to participate in the Program.

Customer acknowledges that, at any time, Company reserves the right to decrease Customer's Capacity in order to maintain Customer's compliance with the Program Limitation.