

EASTERN SHORE SOLAR
DECOMMISSIONING PLAN
October 6, 2015

I. Introduction

This Decommissioning Plan is for the Eastern Shore Solar Project (the “Project”) and shall be binding on each successor and assignee of Eastern Shore Solar LLC (“ESS”), the Project owner.

The purpose of this Decommissioning Plan is to ensure the Project is properly removed at the end of the Project’s useful life, or earlier if abandoned in whole or in part, and that the site is restored to pre-existing conditions, which is generally agricultural. Approval of this plan by the County is a requirement of the Conditional Use Permit.

A Decommissioning Cost Estimate will be provided for County review prior to the issuance of building permits and updated every five years.

This Plan also outlines the posting of Decommissioning Security, in a form reasonably acceptable to the County, to be established prior to the Project entering commercial operation.

II. Decommissioning Process

The expected life of the Project is thirty (30) years with extension possible upon mutual agreement with the landowners (“Project Life”). At the end of the Project Life or earlier in the event of Abandonment of all or a portion of the Project, ESS will decommission the Project or a portion thereof, as set forth below.

The decommissioning process for the project is generally expected to occur as follows (“Decommissioning”):

Please Note: It is expected, but not required, that most components of the Project will be salvageable/recyclable, re-usable or re-salable.

1. The following items shall be removed, disassembled (if applicable), packaged and shipped for re-sale or to a salvage/recycling facility or other processing facility where possible, or to a landfill for disposal.
 - a. PV Modules
 - b. Racking System
 - c. Foundations
 - d. Electrical wiring/cabling
 - e. Inverters/transformers/connector station
 - f. Fencing
 - g. Concrete Foundations

h. Gravel from Gravel Access Drive

2. Dispose of any components in a landfill that cannot be salvaged/recycled, re-sold or re-used.
3. Stabilize any exposed soil where equipment was removed, consistent with County and other applicable erosion and sediment control standards.
4. Access drive paved aprons from public roads shall remain for future use.
5. Turf-grass shall be tilled into the soil, unless written approval is provided by the landowner allowing ESS to leave the turf-grass in place.
6. Landscaping shall be removed, unless written approval is provided by the landowner allowing ESS to leave the landscaping in place.
7. The Project area or portion thereof shall be restored to its pre-existing condition and such that it is suitable for its prior use.
8. In the unlikely event, and to the extent that, the Project contains any hazardous materials as defined by federal, state and/or local laws at the time of Decommissioning, ESS shall dispose of all such materials in accordance with federal, state and local laws and regulations governing such materials and the disposal of the same.

III. Decommissioning Cost Estimates

ESS shall provide a Decommissioning Cost Estimate prepared by a Virginia Licensed Engineer prior to the issuance of building permits, which shall include the following:

- (a) the gross estimated cost to perform Decommissioning as set forth in Section II above ("Gross Cost");
- (b) an administrative and inflation factor of 20% of the Gross Cost ("Admin Factor");
- (c) the estimated resale and salvage values associated with the Project equipment ("Salvage Value")
- (d) a reduction from the Salvage Value by 20% such that only 80% of the Salvage Value can be used as a credit against the Gross Cost and Admin Factor. The Salvage Value multiplied by 80% is the "Salvage Credit".

Thus the Decommissioning Cost Estimate formula is:

Gross Cost + Admin Factor – Salvage Credit = the "Decommissioning Cost Estimate".

ESS shall provide a revised and Updated Decommissioning Cost Estimate on every 5th anniversary of the date when the Project first began to continuously deliver electric energy to the electric grid for commercial sales ("Commercial Operation Date") for the Project Life,

which shall account for inflation, cost and value changes, and advances in decommissioning technologies and approaches.

The Decommissioning Cost Estimate shall include a table allocating the net cost estimate across the Project area, based on the percentage of generating capacity in megawatts (MW) on each property ("Allocation Areas"). The Allocation Areas will be divided based upon the lease areas, however Allocation Areas will reference the underlying land, in case ownership of the underlying land changes control during the life of the Project.

The County may elect to have the Decommissioning Cost Estimates reviewed by a Virginia Licensed Engineer on behalf of the County, in which case reasonable engineering review fees shall be reimbursed by ESS.

IV. Financial Security

ESS will provide an amount equal to the Decommissioning Cost Estimate (as determined by a Virginia Licensed Engineer, per section III), provided, however, that the amount of security shall never be less than Two Hundred and Fifty Thousand Dollars (\$250,000), ("Decommissioning Security"). Decommissioning Security shall be provided by ESS prior to the Commercial Operation Date.

A Virginia licensed engineer shall provide an Updated Decommissioning Cost Estimate on or before the fifth anniversary of the Commercial Operation Date and every five years thereafter during the Project Life. ESS shall replenish and fully fund the Decommissioning Security based on each Updated Decommissioning Cost Estimate, if applicable.

The Decommissioning Security may be in one of the following forms: (i) cash to be held in escrow by the County Treasurer at a Bank, or (ii) a letter of credit from a financial institution reasonably acceptable to the County which shall be irrevocable unless replaced with cash or other form of security reasonably acceptable to County (each a form of "Acceptable Credit Support").

ESS shall post Acceptable Credit Support in the amount of the Decommissioning Security prior to the Commercial Operation Date.

Upon the receipt of the first Updated Decommissioning Cost Estimate (following the 5th anniversary of the Commercial Operation), any increase or decrease in the Decommissioning Security shall be funded by ESS, or refunded to ESS (if permissible by the form of Credit Support and such that Decommissioning Security is not less than \$250,000), within ninety (90) days and will be similarly trued up for every subsequent five year updated Decommissioning Cost Estimate.

V. Timing for Decommissioning

Upon the earlier of: (i) completion of the Project Life; or (ii) Abandonment of the Project or any portion thereof, ESS will arrange for and be responsible for the full Decommissioning of the Project, such that Decommissioning will be completed within six (6) months of the end of the Project Life or Abandonment of the Project or any portion thereof, whichever first occurs.

If a leaseholder or Accomack County believes that the Project or a portion thereof has been discontinued for longer than one (1) year (i.e. if the Project or any portion thereof has ceased operations for a continuous period of longer than one year) (“Abandoned”), and should be decommissioned earlier, consistent with the terms of the underlying lease or this Decommissioning Plan, then such landowner or Accomack County shall provide written notice of such Abandoned claim to ESS. Upon receipt, ESS shall have a sixty (60) day period in which to refute the claim, remedy any problem, commence Decommissioning under the lease agreement, or show why more than sixty (60) days is reasonably necessary to remedy the problem. If at the end of the sixty-day period the parties are unable to resolve amicably any dispute arising out of or in connection with this Decommissioning Plan, then such dispute shall be resolved by an action filed in the Circuit Court of Accomack County, Virginia.

VI. Partial Decommissioning

If Decommissioning is triggered for a portion, but not the entire Project, then ESS will commence and complete Decommissioning, in accordance with this Decommissioning Plan, for the applicable portion of the Project; the remaining portion of the Project would continue to be subject to this Decommissioning Plan. Any reference to Decommissioning the Project shall include the obligation to decommission all or a portion of the Project whichever is applicable with respect to a particular situation.

VII. Completion of Decommissioning & Return of Financial Security

Decommissioning will be complete when the County Construction Official or County Engineer, or another party appointed by the County, determines that Decommissioning has been completed in accordance with this Decommissioning Plan. Within forty-five (45) days of such determination of completion of Decommissioning, the County shall send a letter, with a copy to ESS, approving the release to ESS of the Decommissioning Security.

VIII. Default by ESS of Decommissioning Responsibility

If ESS is in default of its obligation to commence or complete Decommissioning, and such default remains uncured for more than 60 days (as explained in section V), each landowner shall have the right to commence Decommissioning activities and shall have access to each respective landowner’s prorated percentage allocation of the Decommissioning Security plus the salvage value of the equipment and materials on their lands. Excess funds shall be returned to the Decommissioning Security fund for use in Decommissioning other ESS

property. Following the completion of Decommissioning of the entire Project arising out of a default by ESS, any remaining funds shall be distributed to landowners in a proportion consistent with the Allocation Areas as referenced in Section III. Nothing herein shall limit other rights or remedies that may be available to the County to enforce the obligations of ESS, including under the County's zoning powers.

IX. Notice under this Decommissioning Plan

Eastern Shore Solar LLC
Attn: Decommissioning Notice
Three Radnor Corporate Center, Suite 300
100 Matsonford Road
Radnor PA, 19087

Accomack County Planning Department
Attn: Director of Planning
23282 Courthouse Avenue,
Accomac, VA 23301