

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

MURRAY C. TURKA, on Behalf of Himself and All Others Similarly Situated,)	Civil Action No. 2:19-cv-1102-RMG
)	
)	
Plaintiffs,)	
)	
v.)	<u>SETTLEMENT AGREEMENT</u>
)	<u>AND RELEASE</u>
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY and LONNIE N. CARTER,)	
)	
Defendants.)	
)	
)	

This Settlement Agreement (“Settlement Agreement” or “Agreement”) is made and entered into as of the Execution Date, between Plaintiff Murray C. Turka (“Plaintiff”), on his behalf and on behalf of the Settlement Class, as defined herein, and Defendant South Carolina Public Service Authority (“Santee Cooper”) and Defendant Lonnie N. Carter (“Carter”) (collectively, “Defendants”). Subject to the approval of the Court and the terms and conditions expressly provided herein, this Agreement is intended to fully, finally, and forever compromise, settle, release, resolve, and dismiss with prejudice the Action and all Released Claims.

RECITALS¹

WHEREAS, on April 15, 2019, Plaintiff filed a class action complaint in the United States District Court for the District of South Carolina, captioned *Murray C. Turka, on Behalf of Himself and All Others Similarly Situated v. South Carolina Public Service Authority and Lonnie C. Carter*, Civil Action No. 2:19-cv-1102-RMG, alleging violations of federal securities laws related to Santee Cooper’s Mini-Bonds and the V.C. Summer Nuclear Units 2 and 3 Project (the “Action”);

¹ Capitalized terms used in the Recitals and the foregoing paragraph shall, unless otherwise defined in the Recitals, have the meanings set forth in Section I (“Definitions”) of the Settlement Agreement.

WHEREAS, Plaintiff asserts claims against Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, and against Carter under Section 20(a) of the Exchange Act;

WHEREAS, Plaintiff alleges, among other things, that Defendants made false and misleading statements and concealed and failed to disclose certain information in Santee Cooper’s Mini-Bond offering documents for 2014, 2015, and 2016 regarding the construction of Units 2 and 3 in the V.C. Summer Nuclear Project (the “Project”). Plaintiff alleges that as a result, the interest rates of Mini-Bonds were artificially depressed during the Class Period and, therefore, Plaintiff and Class Members received artificially deflated interest payments for the Mini-Bonds;

WHEREAS, as of January 1, 2020, Santee Cooper redeemed the Mini-Bonds, and accordingly, Plaintiff and Class Members received the full amount of interest and principal owed under the written terms of the Mini-Bonds;

WHEREAS, on October 21, 2020, the Parties commenced a mediation in person, before the Honorable Jean H. Toal, retired Chief Justice, and continued negotiation and mediation thereafter, resulting in an agreement to resolve the matter as set forth herein;

WHEREAS, Defendants have denied and continue to deny the material allegations in the Action, have denied and continue to deny any wrongdoing and any liability to Plaintiff or any Class Member, in any amount, in connection with the claims asserted in the Action, have denied that class certification is required or appropriate, and contend that they would prevail in the Action;

WHEREAS, before and during the litigation of this Action and during negotiation of the Settlement provided for in this Agreement, Class Counsel conducted a thorough examination and evaluation of the relevant law and facts to assess the merits of the claims to be resolved in this Settlement and how to best serve the interests of the putative class in the Action;

WHEREAS, Plaintiff, individually and on behalf of the Settlement Class, and Class Counsel desire to settle all claims against Defendants within the scope of the Release set forth herein, having engaged in litigation, motions practice, discovery, and mediation, and recognizing the risks, delay, and difficulties involved in establishing liability; the defenses to the claims; the likelihood of recovery in excess of that offered by this Settlement Agreement; and the likelihood that the Action could be protracted and expensive; and, based on their evaluation of these factors, Plaintiff and Class Counsel have determined that settlement is in the best interests of the Settlement Class;

WHEREAS, although Defendants deny any wrongdoing and any liability to Plaintiff and the Settlement Class and have asserted numerous defenses, including that their actions were and are in compliance with state and federal law, Defendants believe that it is desirable and in their best interests to settle the Action in the manner and upon the terms and conditions provided for in this Settlement Agreement in order to avoid the further expense, inconvenience, and distraction of litigation, and in order to put to rest the claims that are resolved by the Settlement;

WHEREAS, after having had a full and fair opportunity to evaluate their respective positions, the Parties have agreed on all terms and conditions of this Settlement Agreement through arms-length negotiations between their respective counsel;

WHEREAS, the Parties agree that the fact of this Agreement, any of the terms in this Agreement, any documents filed in support of this Agreement, or any statement made in the negotiation thereof shall not be deemed or construed to be an admission or evidence of (i) any violation of any statute or law, (ii) any liability or wrongdoing, (iii) liability on any of the claims or allegations in the Action, or (iv) the propriety of certifying a litigation class in any proceeding, and shall not be used by any Person for any purpose whatsoever in the Action or any other legal

proceeding, including but not limited to arbitrations, other than a proceeding to enforce the terms of this Agreement; and

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged herein, Plaintiff, individually and as representative of the Settlement Class, and Defendants agree that the Action and the claims described in the Release shall be fully and finally compromised, settled, and released and that the Action shall be dismissed with prejudice, subject to the approval by the Court of the Settlement.

I. DEFINITIONS

In addition to the terms defined above and terms that may be defined herein, the following terms are used in this Settlement Agreement and exhibits attached hereto:

- A. “Attorney Fee/Litigation Cost Award” means the award for attorneys’ fees and litigation costs, if any, made to Class Counsel by the Court upon application pursuant to Section V.
- B. “Authorized Recipient” means any Class Member who, in accordance with the terms of this Agreement, is entitled to a distribution consistent with the Distribution Plan and order of the Court.
- C. “Class Counsel” means Lead Counsel and Liaison Counsel, Christopher L. Nelson and James M. Ficaro of The Weiser Law Firm, P.C., and William E. Hopkins of Hopkins Law Firm, LLC, respectively.
- D. “Class Member(s)” means a Person who meets the definition of the Settlement Class and who is not a Successful Opt-Out.
- E. “Class Period” means May 1, 2014 through July 31, 2017.

- F. “Court” means the United States District Court for the District of South Carolina, Charleston Division, and such judge of the same court or other federal court to whom the Action may hereafter be assigned.
- G. “Day(s)” has the meaning ascribed to it in Federal Rule of Civil Procedure 6, and all time periods specified in this Agreement shall be computed in a manner consistent with Fed. R. Civ. P. 6.
- H. “Defendants’ Counsel” means Robert L. Lindholm, B. Rush Smith III, and Carmen H. Thomas of Nelson Mullins Riley & Scarborough LLP, counsel for Santee Cooper; and Thomas E. Lydon of McAngus, Goudelock, & Courie, LLC, counsel for Carter.
- I. “Distribution Plan” means the plan for allocating the Settlement Benefit whereby the Settlement Benefit shall in the future be distributed to Authorized Recipients, to be approved by the Court in the manner outlined in the Long Notice.
- J. “Effective Date” means the first date by which all of the following events and conditions have occurred:
1. Defendants no longer having any right to terminate this Agreement, nor there being a possibility of termination of this Agreement, under Section VI.J or, if any Defendant does have such right, Defendant has given written notice to Class Counsel that it will not exercise such right.
 2. The Court has finally approved the Settlement in a manner substantially consistent with the terms and intent of this Settlement Agreement following notice to the Settlement Class and a hearing, and has entered the Final Approval Order in the Action;

3. The Released Claims are dismissed with prejudice pursuant to the Final Approval Order; and
 4. Either: (i) thirty (30) Days have passed after the Court's entry of the Final Approval Order and no appeal is taken as to the Final Approval Order and no motion or other pleading has been filed with the Court to set aside or in any way alter the judgment or orders of the Court finally approving of the Settlement or toll the time for appeal of such orders, or (ii) all appeals, reconsideration, rehearing, or other forms of review and potential review of the Court's orders and judgment finally approving the settlement of the Action are exhausted, and the Court's orders and judgment are upheld, without substantial alteration of the terms of this Agreement.
- K. "Execution Date" means the latest date associated with a signature on a fully executed Agreement set forth on the signature pages below.
- L. "Exclusion Deadline" means the deadline for requesting exclusion from the Settlement Class, as set forth in the Notice to the Settlement Class, and which shall be no later than sixty (60) Days after the Preliminary Approval Date.
- M. "Final Approval Hearing" means the final hearing, held after notice has been given to the Settlement Class and the Settlement Class has had an opportunity to object or exclude themselves from Settlement, and in any event, no earlier than ninety (90) Days after the latest date on which the appropriate Federal and State officials are served with the notice required by 28 U.S.C. 1715(b), in which the Court's order will determine whether this Settlement and Agreement should be approved as fair, reasonable, and adequate; whether the proposed Final Approval Order and

judgment should be entered; and whether Class Counsel’s application for attorneys’ fees and costs should be approved.

- N. “Final Approval Order” means the order and judgment, substantially in the form attached hereto as Exhibit D approving the Settlement in a manner substantially consistent with the terms and intent of this Settlement Agreement and dismissing all claims in the Action with prejudice.
- O. “Incentive Award” means the amount awarded, if any, to the Lead Plaintiff upon application as described in Section V.A.2 of this Agreement.
- P. “Lead Counsel” means The Weiser Law Firm, P.C.
- Q. “Lead Plaintiff” means Murray C. Turka.
- R. “Liaison Counsel” means Hopkins Law Firm, LLC.
- S. “Mini-Bond(s)” means an interest-bearing bond sold by Santee Cooper and offered in the following offering documents:

Offering Document	Date of Santee Cooper Mini-Bond Issuances
2016 M1 Official Statement	May 1, 2016
2015 M1 Official Statement	May 1, 2015
2014 M1 Official Statement	May 1, 2014

- T. “Notice” means, collectively, the Notice of Proposed Class Action Settlement, to be posted on a unique website for the Action (“Long Notice”); and the Summary Notice of Pendency of Class Action, Proposed Settlement, and Motion for Attorneys’ Fees and Expenses for publication (“Postcard Notice”), which, subject to approval of the Court, shall be substantially in the forms attached hereto as Exhibits B and C respectively.
- U. “Notice Plan” means the plan outlining the proposed form, method, and schedule for dissemination of notice to the Settlement Class. Class Counsel shall include the

Notice Plan in the Motion for Preliminary Approval and shall seek the Court's approval of the Notice Plan therein.

- V. "Objection Deadline" means the deadline for submitting an objection to the Settlement or any relief provided for in connection with the Settlement, as set forth in the Notice to the Settlement Class, and which shall be no later than sixty (60) Days after the Preliminary Approval Date.
- W. "Party" means the Lead Plaintiff or Defendants individually, and "Parties" means Lead Plaintiff and Defendants collectively.
- X. "Person(s)" means an individual, corporation, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government, or any political subdivision or agency thereof, and any business or legal entity and any spouses, heirs, predecessors, successors, representatives, or assignees of any of the foregoing.
- Y. "Preliminary Approval" or "Preliminary Approval Order" means the order or orders of the Court preliminarily approving the terms and conditions of this Agreement, including all exhibits, as contemplated by this Agreement and substantially in the form attached hereto as Exhibit A.
- Z. "Preliminary Approval Date" means the date on which the order or orders constituting Preliminary Approval are entered by the Court.
- AA. "Release" means the release set forth in Section IV of this Agreement.
- BB. "Releasees" means Defendants and all of their past, present, and future parent entities, predecessors, successors, assigns, officers, directors, attorneys and legal

representatives, insurers,² vendors, agents (alleged or actual), representatives, employees, heirs, executors, affiliates, administrators, successors, and related and affiliated Persons.

CC. “Released Claims” means any and all past, present, and future claims, cross-claims, counterclaims, lawsuits, appeals, set-offs, costs, losses, rights, demands, charges, complaints, actions, causes of action, obligations, or liabilities of any and every kind, whether class, individual, or otherwise in nature, including, without limitation, those known or unknown or capable of being known; those which are unknown but might be discovered or discoverable based upon facts other than or different from those facts known or believed at this time; those which are foreseen or unforeseen, suspected or unsuspected, asserted or unasserted, or contingent or non-contingent; and those which are accrued, unaccrued, matured or not matured, all from the beginning of the world until the Effective Date, under the laws of any jurisdiction (“Claims”), which Releasors (or any of them) whether directly, representatively, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have, arising out of or relating in any way to this Action; the issuance of Mini-Bonds during the Class Period; Class Members’ status as purchasers, owners, or holders of Mini-Bonds during the Class Period; any act or omission of the Releasees (or any of them) regarding Releasees’ representations or statements about the Project as alleged in the Action; any act or omission of the Releasees (or any of them) that could have been alleged in the Action; or any act or omission of the Releasees (or any of them) that could have been alleged in another

² This does not release any insurer as to its own insured.

action directly, representatively, derivatively, or in any other capacity in another court, tribunal, or other forum regarding Class Members' purchase of Mini-Bonds during the Class Period. Released Claims does not include claims arising from any securities other than the Mini-Bonds.

- DD. "Releasers" means the Lead Plaintiff and each Class Member, individually or together, and all those who claim through them or who assert claims (or could assert claims) on their behalf, including their respective heirs, executors, administrators, successors, beneficiaries, representatives, attorneys, agents, partners, assigns, co-obligors, co-guarantors, guarantors, sureties, and bankruptcy trustees on behalf of creditors or estates of the Releasers.
- EE. "Settlement" means the proposed settlement of the Action under the terms and conditions of this Agreement.
- FF. "Settlement Administrator" means the firm retained by Class Counsel, subject to Court approval, to provide all notices approved by the Court to potential Class Members and to administer the Settlement.
- GG. "Settlement Administration Costs" means the costs of administering the Settlement provided for herein, including but not limited to the costs of mailing Class Member notices, as provided herein and in the Notice and Notice Plan outlined in the Motion for Preliminary Approval, responding to inquiries from Class Members, and providing the Settlement Benefit to Class Members, of which Santee Cooper will pay up to but not exceeding \$35,000.00, as further described in Section V.B.
- HH. "Settlement Amount" means the sum of the Settlement Benefit and Settlement Administration Costs.

- II. “Settlement Benefit” means the total value of the settlement being paid by Defendants for the benefit of the Settlement Class that equals two million dollars (\$2,000,000.00), representing the sum of benefits to be distributed to Class Members in cash, the Attorney Fee/Litigation Cost Award, and the Incentive Award.
- JJ. “Settlement Class” means all Persons who purchased or otherwise acquired and owned Santee Cooper Mini-Bonds from May 1, 2014 through July 31, 2017, inclusive, and who were damaged thereby, and including those Persons’ successors in interest, transferees in interest, assigns, or beneficiaries, if any. Excluded from the Settlement Class are Defendants; members of the immediate family of any Defendant who is an individual; the officers and directors of Santee Cooper during the Class Period; any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest; and the legal representatives, affiliates, heirs, successors-in-interest, or assigns of any such excluded person or entity.
- KK. “Successful Opt-Out” means any Person who falls within the definition of the Settlement Class who has timely and validly exercised his or her right to be excluded from the Settlement Class pursuant to the procedures set forth herein, but shall not include (i) Persons whose requests for exclusion are disputed by Defendants pursuant to Section VI.D, unless the dispute is overruled by the Court or withdrawn by Defendants; (ii) Persons whose communication is not treated as a request for exclusion; and (iii) Persons whose requests for exclusion are not valid or are otherwise void.
- LL. As used herein, the plural of any defined terms includes the singular thereof and vice versa, except where the context requires otherwise.

II. SETTLEMENT PROCEDURES

A. **Class Certification.** Solely for purposes of the Settlement and for no other purpose, Defendants stipulate and agree to: (i) certification of the Action as a class action pursuant to Federal Rule of Civil Procedure 23; (ii) certification of Lead Plaintiff as class representative for the Settlement Class; and (iii) appointment of Lead Counsel and Liaison Counsel as Class Counsel for the Settlement Class pursuant to Federal Rules of Civil Procedure 23(g).

B. **Preliminary Approval.** By January 26, 2021, Class Counsel shall submit a motion for Preliminary Approval (“Motion for Preliminary Approval”) to the Court seeking entry of a Preliminary Approval Order. The Motion for Preliminary Approval shall attach this Agreement, including all exhibits, and shall, among other things, seek preliminary approval of the Settlement as memorialized in this Agreement, approval of the Notice Plan, Notice, and Distribution Plan, and the setting of deadlines and other conditions consistent with this Agreement. The text of the Motion for Preliminary Approval (including the proposed Preliminary Approval Order, and Notice), shall be provided to Defendants for review no later than five (5) Days prior to the filing of the Motion for Preliminary Approval, and Defendants will have an opportunity to comment on the contents before filing.

C. **Settlement Administrator.** As part of the Motion for Preliminary Approval, Class Counsel shall seek appointment of a Settlement Administrator to be approved by the Court. The Settlement Administrator shall, upon approval of the Court, administer the Settlement, including but not limited to the process of calculating the benefit amount for each Authorized Recipient, under Class Counsel’s supervision and subject to the jurisdiction of the Court.

D. **Settlement Class List.** For the purposes of identifying and providing notice to the Settlement Class, Santee Cooper shall provide or cause the preparation and provision of

information sufficient for the Settlement Administrator to distribute notices no later than thirty (30) Days after the Preliminary Approval Date.

E. **Settlement Class Notice.** As part of the Motion for Preliminary Approval, Class Counsel shall submit to the Court for approval in the Action the Notice. The Motion for Preliminary Approval shall ask the Court to find that the proposed form of and method for dissemination of notice to the Class Members constitute valid, due, and sufficient notice to the Class Members and complies fully with the requirements of the Federal Rules of Civil Procedure. In addition, the Motion for Preliminary Approval shall ask the Court to approve the Notice Plan and Distribution Plan, including the deadlines related to dissemination of the Notice. Unless the Court directs otherwise, the deadlines set forth in the Notice and Notice Plan shall govern the rights of the Class Members and are in addition and subject to the dates and times set forth in the Agreement. The Notice Plan shall be outlined in the Motion for Preliminary Approval and the proposed Long Notice and Postcard are attached hereto as Exhibits B and C.

F. **CAFA Notice.** No later than ten (10) Days following the filing of this Agreement with the Court, Defendants shall cause (through the Settlement Administrator) the service of the notice required under the Class Action Fairness Act, 28 U.S.C. § 1715 (“CAFA”). No later than seven (7) Days before the Final Approval Hearing, Defendants shall cause to be served on Class Counsel and filed with the Court, proof, by affidavit or declaration, regarding compliance with CAFA § 1715(b).

G. **Final Approval.** No later than twenty-one (21) Days prior to the date set by the Court for the Final Approval Hearing, Class Counsel shall submit a motion for final approval of the Settlement by the Court (“Motion for Final Approval”). The Motion for Final Approval (including the proposed Final Approval Order and supporting papers) shall be provided to Defendants for review no later than five (5) Days prior to the filing of the Motion for Final

Approval, and Defendants shall file their response, if any, seven (7) Days before the Final Approval Hearing. Class Counsel shall seek entry of a final approval order (“Final Approval Order”) in the Action (i) finally approving the Settlement as fair, reasonable, and adequate; (ii) giving the terms of the Settlement final and complete effect; (iii) certifying the Settlement Class, for purposes of Settlement only; (iv) finding that all requirements of rule, statute, and Constitution necessary to effectuate this Settlement have been met and satisfied; and (v) otherwise entering final judgment of dismissal on the merits and with prejudice in the Action, each Party waiving all rights to appeal and waiving all rights to seek reimbursement of attorneys’ fees or costs (except as otherwise provided in this Agreement).

H. **Bar Order.** The Final Approval Order shall contain a bar order (“Bar Order”) that shall, upon the Effective Date, and consistent with the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(f)(7) (the “PLSRA”), permanently bar, extinguish, and discharge to the fullest extent permitted by law any and all claims for contribution or indemnification arising out of any Released Claims. The Bar Order shall bar all claims for contribution or indemnification (i) by any Person against the Releasee and (ii) by any Releasee against any Person other than a Releasee. Consistent with the PSLRA, 15 U.S.C. § 78u-4(f)(7)(B), any verdict or judgment that Lead Plaintiff or any other Class Member may obtain on behalf of the Settlement Class or a Class Member against any Person subject to the Bar Order shall be reduced by the greater of (i) an amount that corresponds to the percentage responsibility of the Releasees for common damages or (ii) the portion of the Settlement Amount paid by or on behalf of the Defendants to the Settlement Class.

III. SETTLEMENT BENEFIT AND DISTRIBUTION

A. **Payment of Settlement Benefit.** Santee Cooper shall pay or cause to be paid the Settlement Benefit to the Settlement Administrator no later than ten (10) Days after entry of the Final Approval Order.

B. **Total Settlement Consideration.** The Parties agree that the Settlement Amount, as paid by Santee Cooper, is offered as Defendants' consideration for this Settlement and as full satisfaction of the Released Claims. The Settlement Benefit includes, without limitation, all monetary benefits and distributions to the Class Members, attorneys' fees and expenses, taxes, tax expenses, and pre and post-judgment interest. Under no circumstances will Defendants be required to pay more than the Settlement Amount pursuant to this Agreement and the Settlement set forth herein. In no event shall Defendants be required to make any payment under this Settlement before the deadlines set forth in this Agreement.

C. **Distribution of Settlement Benefit.** The Settlement Administrator, subject to such supervision and direction of the Court and Class Counsel as may be necessary, shall administer the Settlement and shall oversee distribution of the Settlement Benefit to Authorized Recipients pursuant to the Distribution Plan, which is set forth in the Long Notice.

D. **Agreement not Conditioned on Distribution Plan.** The plan of allocation proposed in the Distribution Plan is not a necessary term of Agreement, and it is not a condition of the Agreement that any particular plan of allocation be approved by the Court. Lead Plaintiff and Class Counsel may not cancel or terminate the Agreement based on this Court's or any appellate court's ruling with respect to the Distribution Plan or any other plan of allocation in this Action. Defendants shall not object to the plan of allocation outlined in the Distribution Plan.

E. **No Liability for Settlement Benefit Distribution.** Defendants will make reasonable efforts to facilitate Class Counsel's receipt of information necessary to identify Class

Members entitled to distribution from the Settlement Benefit. Neither the Releasees nor their counsel, however, shall have any responsibility for, or liability whatsoever with respect to, the distribution of the Settlement Benefit; the Distribution Plan; the determination, administration, or calculation of claims; or any other aspect of settlement administration. The Releasors hereby fully, finally, and forever release, relinquish, and discharge the Releasees and their counsel from any and all such liability, in addition to the releases set forth in Section IV. No Person shall have any claim against Class Counsel or the Settlement Administrator based on the distributions made substantially in accordance with the Agreement and the Settlement contained herein, the Distribution Plan, or further orders of the Court.

F. **Delayed Benefits.** Settlement Benefits to any Class Member that are delayed because of a disputed exclusion request, or for other reasons, shall not be made on the schedule set forth in this part, but instead shall be made if such dispute is finally resolved at a reasonable time thereafter.

G. **All Claims Satisfied by Settlement Benefit.** Each Class Member shall look solely to the Settlement Benefit for settlement and satisfaction of all claims released herein. No Class Member shall have any interest in the Settlement Benefit, or any portion thereof. All Authorized Recipients shall be subject to and bound by the provisions of this Agreement, the releases contained herein, and the Final Approval Order with respect to all Class Claims, regardless of whether such Authorized Recipients obtain any distribution from the Settlement Benefit.

IV. RELEASE

A. **Claims Released by Releasors.** Upon the Effective Date, and pursuant to the Court's entry of the Final Approval Order, the Releasors do hereby unconditionally, completely, and irrevocably release and dismiss each and all Releasees with prejudice and on the merits (without an award of costs to any party other than those provided in Section V). The Releasors

(regardless of whether any such Releasor ever obtains any recovery by any means, including, without limitation, by receiving any distribution from the Settlement Benefit) shall be deemed to have, and by operation of the Final Approval Order shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Releasees. This Release shall be included as part of any judgment, so that all released claims and rights shall be barred by principles of res judicata, collateral estoppel, and claim and issue preclusion.

B. Claims Released by Releasees. Upon the Effective Date, and pursuant to the Court's entry of the Final Approval Order, Releasees shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged Releasors of any and all claims and causes of action of every nature and description, whether known claims or unknown claims, whether arising under federal, state, common, or foreign law, which arise out of the Santee Cooper Mini-Bonds. The Releasees shall forever be barred and enjoined from prosecuting any or all of the claims and only those claims as described in this Paragraph against Releasors. Releasees do not release any claims relating to the enforcement of the Settlement or any claims against any Person who submits a Request for Exclusion that is accepted by the Court.

C. No Future Actions. The Releasors shall not, after the Effective Date, seek (directly or indirectly) to commence, institute, maintain, or prosecute any suit, action, or complaint of any kind (including, but not limited to, claims for actual damages, statutory damages, and exemplary or punitive damages) against any Defendant, or any other Releasee, based on the Released Claims, in any forum, whether on his or her own behalf or as part of any putative, purported, or certified class. The Parties contemplate and agree that this Agreement may be pleaded as a bar to a lawsuit, and an injunction may be obtained preventing any action from being initiated or maintained, in any case sought to be prosecuted on behalf of any Releasor (including, but not limited to, for actual

damages, statutory damages, exemplary, or punitive damages) or Releasee based on the claims as described in Sections IV.A and IV.B.

D. **Waiver of California Civil Code § 1542 and Similar Laws.** In addition to the provisions at Section I.CC, the Releasors expressly acknowledge that they are familiar with and, upon the Effective Date, waive and release with respect to the Released Claims any and all provisions, rights, and benefits conferred (i) by Section 1542 of the Civil Code of the State of California, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

(ii) by any and all equivalent, similar, or comparable federal or state rules, regulations, laws, or principles of law of any other jurisdiction that may be applicable herein; and/or (c) any law or principle of law of any jurisdiction that would limit or restrict the effect or scope of the provisions of the release set forth in the Agreement. The Releasors expressly agree that by executing this Agreement, and for the consideration received hereunder, it is their intention to release, and they are releasing, all Released Claims, including those unknown. The release of unknown, unanticipated, unsuspected, unforeseen, and unaccrued losses or claims in this paragraph is contractual and not a mere recital.

E. **Dismissal.** Subject to Court approval, the Releasors shall be bound by this Agreement, and all their claims shall be dismissed with prejudice and released, even if they never received actual notice of the Action or this Settlement.

V. ATTORNEYS' FEES, AWARDS, AND COSTS

A. **Attorney Fee/Litigation Cost Award.** Class Counsel may submit an application or applications for an Attorney Fee/Litigation Cost Award no later than twenty-one (21) Days prior to the Final Approval Hearing for distributions from the Settlement Benefit for: (i) Attorney Fee/Litigation Cost and (ii) Incentive Award to Lead Plaintiff. Application for such award shall not be made in conjunction with the Motion for Final Approval; it shall be by separate motion, and, to the extent approved, by separate order.

1. Class Counsel agree that an application for attorneys' fees will not seek an amount in excess of 33% the Settlement Benefit. Defendants will not contest an application for attorneys' fees up to that amount.

2. Class Counsel and Lead Plaintiff agree that an application for an Incentive Award shall not exceed five thousand dollars (\$5,000), and that payment of any such award shall be made from the Settlement Benefit, and in no event shall Santee Cooper pay more than the Settlement Amount.

3. To the extent Attorney Fee/Litigation Cost or Incentive Awards are ordered, those payments shall be made by the Settlement Administrator from the Settlement Benefit in accordance with the Court's order upon the application for attorneys' fees.

4. Defendants shall have no obligations related to Class Counsel's fees or expenses or the payment thereof beyond Santee Cooper's payment of the Settlement Benefit and as stated in part V.A.1.

5. In the event the Settlement, Attorney Fee/Litigation Cost Award, or Incentive Award is modified, terminated, cancelled, or fails to become effective for any reason, in whole or in part, including, without limitation, in the event the Final Approval Order is reversed or vacated or materially altered, then no later than fourteen (14) Days after the termination,

cancellation, or failure, Class Counsel shall refund any Attorney Fee/Litigation Cost Award or Incentive Award, including accrued interest, to the Settlement Administrator by wire transfer to be returned to the Settlement Benefit. In the event the Settlement is cancelled, terminated, or fails to become effective for any reason, the Settlement Administrator shall return the Settlement Benefit, including interested accrued, to Santee Cooper no later than twenty-one (21) Days after the Settlement Administrator's receipt of notice of termination, cancellation, or failure.

B. Payment of Settlement Administration Costs. Santee Cooper shall pay all Settlement Administration Costs up to \$35,000.00 within 30 days of receipt of valid, itemized invoices from the Settlement Administrator identifying costs and services performed that are reasonably consistent with the quoted amount.

C. Award of Fees and Expenses Not Part of Settlement. The procedure for allowance or disallowance by the Court of the Attorney Fee/Litigation Cost Award is not part of the Settlement and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement. In the event the Court denies, in whole or in part, any application made by Class Counsel for attorneys' fees, the remainder of the terms of this Agreement and of the Settlement shall remain in effect.

D. No Liability for Fees and Expenses to Class Counsel. Neither the Releasees nor their counsel shall have any responsibility for, interest in, or liability whatsoever with respect to any payment(s) to Class Counsel pursuant to this Agreement or to any other Person who may assert some claim thereto or any Attorney Fee/Litigation Cost Award that the Court may make in the Action, other than as set forth in this Agreement. Similarly, neither the Releasees nor their counsel shall have any responsibility for, interest in, or liability whatsoever with respect to allocation among Class Counsel or any other Person who may assert some claim thereto, of any Attorney Fee/Litigation Cost Award that the Court may make in the Action. The Parties contemplate and

agree, and the Court shall order, that this Agreement and the Release may be pleaded as an absolute bar against any claim against Santee Cooper by any Person that may arise from or relate to the payment of attorneys' fees and costs.

E. **Jurisdiction Over Fee Dispute.** The Court shall retain jurisdiction of any dispute regarding the distribution of the Settlement Benefit that is available to Class Members or any Attorney Fee/Litigation Cost Award.

VI. CONDITIONS OF SETTLEMENT AND EFFECT OF TERMINATION, DISAPPROVAL, AND APPEAL

A. **Effective Date.** This Agreement and the Settlement provided for herein shall not be effective until the Effective Date. Until that time, and subject to Part V.B, Santee Cooper shall have no obligation to pay or set aside any monies due or potentially due to pay the Settlement Administration costs pursuant to III.A.

B. **Failure of Effective Date to Occur.** If all the conditions specified in Section I.J are not met, then this Agreement shall be cancelled and terminated, subject to and in accordance with Sections VI.J and VI.K unless the Parties mutually agree in writing to proceed with this Agreement. The effectiveness of the Settlement is expressly conditioned on the Settlement being approved by the Court and any appellate court reviewing the Settlement without this Agreement being rejected or required to be materially modified by any Court ruling or any order resulting from an appeal or other review. If the Court does not enter the Final Approval Order or if the Court enters the Final Approval Order and appellate review is sought and, on such review, the Final Approval Order is finally vacated, materially modified, or reversed, then this Agreement and Settlement shall terminate and cease to have any effect.

C. **Exclusions.** Any Class Member who wishes to opt out of the Settlement Class must do so on or before the Exclusion Deadline as specified in the Notice. In order to become a

Successful Opt-Out, a Class Member must complete and send to the Settlement Administrator a Request for Exclusion that is post-marked no later than the Exclusion Deadline. A Request for Exclusion form shall be available on the settlement website. Successful Opt-Outs may opt out of the Settlement Class only on an individual basis; so-called “mass” or “class” opt-outs shall not be allowed and shall be of no force or effect. A Person acting pursuant to a legal power of attorney, however, may request exclusion of an individual. Class Counsel shall cause copies of Requests for Exclusion forms from the Settlement Class to be provided to Defendants’ Counsel. No later than fourteen (14) Days after the Exclusion Deadline, Class Counsel shall provide to Defendants’ Counsel a complete and final list of Successful Opt-Outs and copies of the requests for exclusion. With their Motion for Final Approval of the Settlement, Class Counsel will file with the Court a complete list of Successful Opt-Outs, including the name, city, and state of the person requesting exclusion (the “Opt-Out List”).

D. **Reservation of Rights as to Successful Opt-Outs.** With respect to any Successful Opt-Outs, Defendants reserve all their legal rights and defenses, including, but not limited to, any defenses relating to whether the person qualifies as a Class Member and/or has standing to bring any claim. Defendants may challenge the validity of any Successful Opt-Out by providing written notice to Class Counsel no later than ten (10) Days after Class Counsel provides Defendants’ Counsel the Opt-Out List and copies of the Requests for Exclusion forms. Such notice shall void the Opt-Out(s) unless Class Counsel disputes the notice in writing, in good faith, with Defendants’ Counsel no later than five (5) Days of receipt of the notice. The Court shall have jurisdiction to resolve any disputes regarding the validity of Successful Opt-Outs. Class Counsel shall have no obligation to represent an attempted or Successful Opt-Out.

E. **Rescission Based on Exclusions.** Defendants shall have the right to set aside or rescind this Agreement, in the sole exercise of their discretion, if the number of Persons requesting

exclusion from the Class exceeds ten percent (10%) of the total Persons otherwise within the Class. Defendants shall have ten (10) Days from receipt of the final Successful Opt-Out list to exercise this right to set aside or rescind this Agreement.

F. **Objections.** Class Members who wish to object to any aspect of the Settlement must file with the Court a written statement containing their objections prior to the Objection Deadline. All objections must include the following information: (1) the full name of the Class Member; (2) the current address of the Class Member; (3) identification of the Mini-Bond(s) purchased; (4) all specific objections and the reasons in support thereof; and (5) any and all supporting papers. If a Class Member intends to object through counsel, the Class Member's attorney must append a list of all prior objections previously filed by such counsel in state and federal courts, and with respect to each, provide (1) the case number; (2) the court where the prior objection was filed; (3) and the outcome of the objection. If a Class Member intends to appear and requests to be heard, either individually or through counsel, the Class Member or his or her counsel must file a notice of appearance no later than fifteen (15) Days before the Final Approval Hearing. Any Class Member who does not submit a timely objection in accordance with this Agreement and orders of the Court, shall not be treated as having filed a valid objection to the Settlement.

G. **Attorneys' Fees Related to Objectors.** Any award or payment of attorneys' fees made to the counsel of an objector to the Settlement shall be made only by Court order and upon a showing of the benefit conferred to the Settlement Class. In determining any such award of attorneys' fees to an objector's counsel, the Court will consider the incremental value to the Settlement Class caused by any such objection. Any award of attorneys' fees by the Court will be conditioned on the objector and his or her attorney stating under penalty of perjury that no payments shall be made to the objector based on the objector's participation in the matter other

than as ordered by the Court. Any such award shall be payable from the Settlement Benefit. Defendants shall have no responsibility for any such payments.

H. Failure to Enter Proposed Preliminary Approval Order or Final Approval Order. If the Court does not enter the Preliminary Approval Order or the Final Approval Order, or if the Court enters the Final Approval Order and appellate review is sought and, on such review, the Final Approval Order is finally vacated, materially modified, or reversed, then this Agreement and the Settlement incorporated herein shall be cancelled and terminated; provided, however, the Parties agree to act in good faith to secure final approval of this Settlement and to attempt to address in good faith concerns regarding the Settlement identified by the Court and any appellate court.

I. Other Orders. No Party shall have any obligation whatsoever to proceed under any terms other than substantially in the form provided and agreed to herein; provided, however, that no order of the Court concerning any application for Attorney Fee/Litigation Cost Award, or any modification or reversal on appeal of such order, shall constitute grounds for cancellation or termination of this Agreement by any Party. Without limiting the foregoing, Defendants shall have, in their sole and absolute discretion, the option to terminate the Settlement in its entirety in the event that the Final Approval Order, upon entry by the Court, does not provide for the dismissal with prejudice of the Action and the Released Claims.

J. Termination. This Agreement shall be terminable at the option of Defendants if any of the following occurs:

1. More than ten percent (10%) of the Persons within the Settlement Class become Successful Opt-Outs;
2. The Court fails to enter the orders granting Preliminary or Final Approval, or does so in a form materially different from the forms contemplated by this Agreement;

3. The Court or any other court permits Plaintiff to opt out as a representative, or otherwise to exercise or preserve the opt-out or substantive rights of others;

4. Any Person is allowed to object in the Action and this objection or intervention results in material changes to the Settlement Agreement that the Defendants deem to be material;

5. The Court fails to approve this Agreement as written and agreed to by the Parties; or

6. Lead Plaintiff and Defendants mutually agree to terminate the Agreement.

K. Effect of Termination. If this Agreement is terminated, then:

1. Class Counsel shall provide notice of any such terminable event to the Settlement Administrator no later than five (5) Days of the event occurring;

2. The Parties shall be restored to their respective positions in the Action as of the Execution Date, with all their respective claims and defenses preserved as they existed on that date; and

3. Any judgment or order entered by the Court in accordance with the terms of this Agreement shall be treated as vacated *nunc pro tunc*. No other orders shall be affected.

VII. NO ADMISSION OF LIABILITY

A. Final and Complete Resolution. The Parties intend the Settlement as described herein to be a final and complete resolution of all disputes between them with respect to the Action and Released Claims and to compromise claims that are contested, and it shall not be deemed an admission by any Party as to the merits of any claim or defense or any allegation made in the Action.

B. Federal Rule of Evidence 408. The Parties agree that this Agreement, its terms, and the negotiations surrounding this Agreement shall be governed by Federal Rule of Evidence

408 and any federal or state-law equivalents and shall not be admissible or offered or received into evidence in any suit, action, or other proceeding, except upon the written agreement of the Parties hereto, pursuant to an order of a court of competent jurisdiction, or as shall be necessary to give effect to, declare, or enforce the rights of the Parties with respect to any provision of this Agreement.

C. **Use of Agreement as Evidence.** Whether or not this Agreement becomes final or is terminated pursuant to its terms, the Parties expressly agree that neither this Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claims, any allegation made in the Action, or any violation of any statute or law or of any wrongdoing or liability of Defendants, and evidence thereof shall not be discoverable or used, directly or indirectly, in any way, whether in the Action or in any other proceeding; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any liability, fault, or omission of the Releasees in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Neither this Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement, shall be admissible in any proceeding for any purpose except to enforce the terms of the Settlement; provided, however, that the Releasees may file this Agreement (including the exhibits), the Preliminary Approval Order, or the Final Approval Order in any action in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good-faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

VIII. REPRESENTATIONS AND WARRANTIES

A. **Class Settlement Procedure and Implementation.** In addition to the provisions hereof, this Agreement and the Settlement shall be subject to the ordinary and customary judicial approval procedures under Federal Rule of Civil Procedure 23. Until and unless this Agreement is dissolved or becomes null and void by its own terms, or unless otherwise ordered by the Court, or if Final Approval is not achieved, Lead Plaintiff and Class Counsel represent and warrant that they shall take all appropriate steps in the Action necessary to preserve the jurisdiction of the Court, use their best efforts to cause the Court to grant Preliminary and Final Approval of this Agreement as promptly as possible, and take or join in such other steps as may be necessary to implement this Agreement and to effectuate the Settlement, and will not attempt to void this Agreement in any way, except as expressly set forth herein. This includes the obligations (i) to seek approval of this Agreement and of the Settlement by the Court; (ii) to oppose objections and to defend the Agreement and the Settlement before the Court and on appeal, if any; (iii) to move for the entry of the Preliminary Approval and Final Approval Orders; (iv) to join in the entry of such other orders or revisions of orders or notices, including the orders and notices attached hereto, and to not be unreasonably withheld or delayed. This also includes not (i) soliciting or encouraging any Person in the Settlement Class to request exclusion or (ii) soliciting or encouraging any effort by any Person to object to the Settlement. Lead Plaintiff warrants that he will not request exclusion of himself from the Settlement.

B. **Totality of Attorneys' Fees.** Lead Plaintiff and Class Counsel represent and warrant that any award of attorneys' fees and litigation costs and incentives they may seek upon application to the Court pursuant to Section V above shall include all attorneys' fees and litigation costs that Lead Plaintiff and Class Counsel seek in connection with the Action.

C. **“Class Counsel” All Inclusive.** Lead Plaintiff and Class Counsel represent and warrant that the term “Class Counsel,” as defined in Section I.C of this Agreement, includes all Persons having any interest in any Attorney Fee/Litigation Cost Award in connection with the Action. Lead Plaintiff and Class Counsel represent and warrant that any motion or application that they file requesting an award of attorneys’ fees and litigation costs shall include within its scope all attorneys, law firms, or any other Person with a financial interest in any such award.

D. **Authorization to Enter Settlement Agreement.** Lead Plaintiff, Class Counsel, and Defendants represent and warrant that they are fully authorized to enter into this Agreement and to carry out the obligations provided for herein. Each Person executing this Agreement on behalf of a Party or other Person covenants, warrants, and represents that they are and have been fully authorized to do so by that Party or other Person. Lead Plaintiff, Class Counsel, and Defendants represent and warrant that they intend to be bound fully by the terms of this Agreement.

E. **Class Counsel Representations.** Class Counsel represent and warrant that (i) they seek to represent and protect the interests of the Settlement Class; (ii) they owe a duty of care and loyalty to the Settlement Class, and that some of the interests of those who are Successful Opt-Outs will be different from and in conflict with the interests of the Settlement Class represented by Class Counsel; (iii) their responsibilities to the Class Members will continue beyond the Effective Date and will require Class Counsel to represent the interests of such Class Members until all Class Members have received the benefits outlined in this Agreement; and (iv) the representations and warranties in this paragraph are material terms of the Agreement, and Defendants’ continuing obligations under the Agreement are dependent upon these representations and warranties.

F. **Jurisdiction in Event of Breach.** If any Person breaches the terms of any of the representations and warranties in this section, the Court shall retain jurisdiction over this matter to

entertain action by a Party against such Person for breach or any Party's request for a remedy for such breach.

IX. MISCELLANEOUS PROVISIONS

A. **Subsequent Events Affecting Administration.** In the event that there are any developments in the effectuation and administration of this Agreement that are not dealt with by the terms of this Agreement, then such matters shall be dealt with as agreed upon by the Parties, and failing agreement, as shall be ordered by the Court.

B. **Claims in Connection with Administration.** No Person shall have any claim against the Lead Plaintiff or Class Counsel, Defendants or their Counsel, the Settlement Administrator, or the Releasees or their agents based on administration of the Settlement substantially in accordance with the terms of the Agreement or any order of the Court or any appellate court.

C. **Effect of Lack of Final Approval.** This Agreement is entered into only for purposes of settlement. If Final Approval does not occur for any reason, this Agreement shall become null and void. In that event, the Parties shall be absolved from all obligations under this Agreement, and this Agreement, any draft thereof, and any discussion, negotiation, documentation, or other part or aspect of the Parties' settlement discussions leading to the execution of this Agreement shall have no effect and shall not be admissible evidence for any purpose. In addition, the Parties shall revert to their respective positions prior to settlement, and the agreements contained herein shall be null and void and shall not be cited or relied upon as an admission as to the Court's jurisdiction or the propriety of class certification, and the Parties shall have all rights, claims, and defenses that they had or were asserting as of the date of the mediation at which the parties agreed to settle this Action.

D. **Confidentiality of Settlement Negotiations.** The Parties and their counsel shall keep strictly confidential and not disclose to any third party any non-public information regarding the Parties' negotiation of this Settlement and/or this Agreement. For the sake of clarity, information contained within this Agreement shall be considered public, as well as any information requested by the Court in the approval process and other such information necessary to implement this Settlement, provided such information is filed (and is not under seal) and/or is not considered to be confidential material under the Protective Order entered in this Action.

E. **Confidentiality Order.** Plaintiff and Defendants represent and warrant that they will continue to be bound by the Confidentiality Order agreement executed by Class Counsel and Defendants' Counsel ("Protective Order"), including the provisions of the Protective Order relating to return or destruction of documents or information designated as "CONFIDENTIAL," as that term is defined in the Protective Order, upon the conclusion of the Action.

F. **Choice of Law.** This Agreement shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of South Carolina, and the rights and obligations of the Parties to this Agreement shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of South Carolina without giving effect to that state's choice of law principles.

G. **Attorneys' Fees and Costs.** Except as otherwise expressly provided in this Agreement, each party shall bear its own costs and attorneys' fees.

H. **Integrated Agreement.** The terms and conditions set forth in this Agreement constitute the complete and exclusive agreement between the Parties hereto and may not be contradicted by evidence of any prior or contemporaneous agreement, and no extrinsic evidence may be introduced in any judicial proceeding to interpret this Agreement. All prior agreements are merged into this Agreement. Any modification of the Agreement must be confirmed and executed

in writing by all Parties and served upon Defendants' Counsel and Class Counsel. It is understood by the Parties that, except for the matters expressly represented herein, the facts or law with respect to which this Agreement is entered into may turn out to be other than or different from the facts now known to each Party or believed by such party to be true. Each Party therefore expressly assumes the risk of the facts or law turning out to be different and agrees that this Agreement shall be in all respects effective and not subject to termination by reason of any such different facts or law.

I. **Joint Drafters.** This Agreement shall be deemed to have been drafted jointly by the Parties, and any rule that a document shall be interpreted against the drafter shall not apply to this Agreement.

J. **Binding Effect.** This Agreement shall inure to the benefit of the respective heirs, successors, and assigns of the Parties, and each and every one of the Releasees shall be deemed to be intended third-party beneficiaries of this Agreement and, once approved by the Court, of the Settlement.

K. **Notices.** All notices and responses to notices under this Agreement shall be in writing. Each such notice or response shall be given either by (i) hand delivery; (ii) registered or certified mail, return receipt requested, postage pre-paid; or (iii) FedEx or similar overnight courier; and, if directed to any Class Member, shall be addressed to Class Counsel at their addresses set forth below, and if directed to Defendants, shall be addressed to Defendants' respective Counsel at the addresses set forth below or such other addresses as Class Counsel or Defendants may designate, from time to time, by giving notice to all Parties hereto in the manner described in this paragraph. Copies of all notices under this Agreement may, at the notifying party's option, be transmitted by email to the appropriate parties. Providing a copy by email shall

only be in addition to, and not a substitute for, the formal mechanisms provided for in (i), (ii), or (iii) of this paragraph.

If directed to the Plaintiffs or any Class Member, address notice to:

HOPKINS LAW FIRM, LLC

William E. Hopkins
12019 Ocean Highway
P.O. Box 1995
Pawleys Island, SC 29585

THE WEISER LAW FIRM, P.C.

Christopher L. Nelson
James M. Ficaro
22 Cassatt Avenue
Berwyn, PA 19312

Class Counsel

If directed to Santee Cooper, address notice to:

**NELSON MULLINS RILEY &
SCARBOROUGH LLP**

B. Rush Smith III
Carmen Harper Thomas
Robert L. Lindholm
1320 Main Street, 17th Floor
Columbia, SC 29201

Counsel for Santee Cooper

If directed to Carter, address notice to:

McANGUS, GOUDELOCK, & COURIE, LLC

Thomas E. Lydon
Post Office Box 12519, Capitol Station
Columbia, South Carolina 29211-2519

Counsel for Lonnie N. Carter

L. **Amendment; Waiver.** This Agreement shall not be modified in any respect except by a writing executed by the Parties, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving party. The waiver by any party of any

breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

M. **Execution in Counterparts.** The Parties and their respective counsel may execute this Agreement in counterparts. Each counterpart shall be deemed to be an original, and execution of counterparts shall have the same force and effect as if all Parties and their respective counsel had signed the same instrument.

N. **Jurisdiction.** Although the Court shall enter a judgment, the Court shall retain jurisdiction over the interpretation, effectuation, enforcement, administration, and implementation of this Agreement.

O. **Severability.** The provisions of this Agreement are severable insofar as the partial or complete invalidity, illegality, or legal ineffectiveness of any term in the Agreement shall not affect the validity, legality, or legal effectiveness of the remainder of such term or of any other terms therein.

P. **Incorporation by Reference.** All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Agreement and the terms of any exhibit attached hereto, the terms of the Agreement shall prevail.

Q. **No Conflict Intended; Headings.** Any inconsistency between this Agreement and the exhibits attached hereto shall be resolved in favor of this Agreement. The headings used in this Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement

R. **Material Terms.** The terms of this Agreement are material to the Parties, and each term shall be so construed. In particular, and without limiting the foregoing, the terms of this Agreement may not be modified, changed, waived, or overridden based on a conclusion or

determination that such term is not as important as every other term, or that any Person other than a Party hereto, or counsel of record in the Action, has modified, changed, waived, or overridden such term.

S. **Independent Counsel.** Defendants and Lead Plaintiff acknowledge that they have been represented and advised by independent legal counsel throughout the negotiations that have culminated in the execution of this Agreement, and that they have voluntarily executed the Agreement with the consent and on the advice of counsel. The Parties have negotiated and reviewed fully the terms of this Agreement.

T. **Intended Beneficiaries.** No provision of this Agreement shall provide any rights to, or be enforceable by, any Person that is not one of the Plaintiffs, a Class Member, one of the Defendants, one of the Releasees, Class Counsel, or Counsel for any Defendant, except that this Agreement will be binding upon and inure to the benefit of the successors and assigns of the Parties. No Plaintiff, Class Member, or Class Counsel may assign or otherwise convey any right to enforce any provision of this Agreement.

U. **Regular Course of Business.** The Parties agree that nothing in this Agreement shall be construed to prohibit communications between Defendants and the Releasees, on the one hand, and Class Members, on the other hand, in the regular course of business.

V. **Tax Consequences.** No representations or advice regarding the tax consequences of this Agreement have been made by any Party. The Parties further understand and agree that each Party, each Class Member, each Class Counsel, and Plaintiff shall be responsible for his, its, or their own taxes, if any, resulting from this Agreement and any payments made pursuant to this Agreement.

W. Bankruptcy Proceedings.

1. The Parties agree that any Class Member who is in active bankruptcy proceedings or previously was a party to bankruptcy proceedings during the period of time covered in the Settlement Class definition may only participate in the Settlement subject to applicable bankruptcy law and procedures. Defendants are under no obligation to notify any bankruptcy court that has, had, or may have jurisdiction over such Class Member's bankruptcy proceedings or any trustee or examiner appointed in such Class Member's bankruptcy proceedings of this Agreement or the benefits conferred by the Agreement and the Settlement.

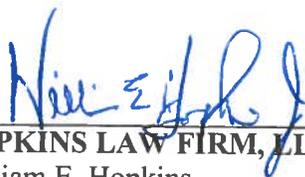
2. The Parties agree that any disputes concerning the rights of the bankruptcy estate to the proceeds of any payment of the Settlement Benefit or Incentive Award shall be adjudicated by the Bankruptcy Court. The Settlement Administrator shall follow any direction of the Bankruptcy Court with respect to the proceeds of any payment or Incentive Award. In the event the Bankruptcy Court issues any order or orders that do more than adjudicate the proceeds of any payment or Incentive Award, and such order or orders are material in the judgment of Defendants, exercised in good faith, Defendants shall have the right to terminate this Agreement.

X. Class Member Obligations. Under no circumstances shall the Settlement or Agreement or any release herein be deemed to alter, amend, or change the terms and conditions of any account to which any Class Member is or was a party, or to provide a defense to any obligation to pay monies to Santee Cooper in the event the Class Member is a customer of Santee Cooper, nor shall the Settlement or the Agreement or the Release be deemed to have any effect in any bankruptcy case or in any other action involving a Class Member, nor shall the Settlement Agreement create or be construed as evidence of any violation of law or contract. In the event this Agreement is so construed as to a particular Class Member, it can be declared by Santee Cooper

to be null and void as to that Class Member only (and in such latter event, the Release as to that Class Member shall also be void).

[Signature Pages Attached]

By



HOPKINS LAW FIRM, LLC

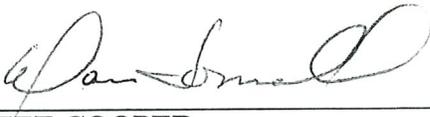
William E. Hopkins
12019 Ocean Highway
P.O. Box 1995
Pawleys Island, SC 29585

THE WEISER LAW FIRM, P.C.

Christopher L. Nelson
James M. Ficaro
22 Cassatt Avenue
Berwyn, PA 19312
Class Counsel

Date:

4/29/2021

By 

SANTEE COOPER

Mark Bonsall
1 Riverwood Drive
Moncks Corner, South Carolina 29461

President and CEO of Santee Cooper

Date: 1/25/2021

By 

**NELSON MULLINS RILEY &
SCARBOROUGH LLP**

B. Rush Smith III
Carmen Harper Thomas
Robert L. Lindholm
1320 Main Street, 17th Floor
Columbia, SC 29201

Counsel for Santee Cooper

Date: 1/25/21

By 
LONNIE N. CARTER

Date: 1-25-2021

By 
McANGUS, GOUDELOCK, & COURIE, LLC
Thomas E. Lydon
Post Office Box 12519, Capitol Station
Columbia, South Carolina 29211-2519

Counsel for Lonnie N. Carter

Date: Jan. 25, 2021