

LAKE LURE TOWN COUNCIL MEETING PACKET

**Tuesday, September 9, 2025
8:30 a.m.**



**Mayor Carol C. Pritchett
Mayor Pro Tem David DiOrio
Commissioner Patrick Bryant
Commissioner Scott Doster
Commissioner Jim Proctor**

I Call to Order

II

Agenda Adoption

TOWN OF LAKE LURE

Town Council Work Session and Action Meeting

Wednesday, September 24, 2025 - 8:30 a.m.

Town Hall at the Landings



Agenda

- I. Call to Order**
- II. Agenda Adoption**
- III. Consider Adoption of Resolution No. 25-09-24 Authorizing the Mayor of the Town of Lake Lure to Execute a Public-Private Agreement with Lake Life LLC for the Construction and Maintenance of a Boardwalk Connecting Sciandra Marina to The Lakehouse Restaurant fDU Y* L**
- IV. Discuss Issues with Well Systems in the Town Right of Ways fDU Y% L**
- V. Consider Approval of Power Purchase Agreement and Interconnection Agreement with Duke Energy fDU Y% L**
- VI. Continue Discussion Regarding Tryon Bay Project Request fDU Y- & L**
- VII. Hager Strategic Solutions Updates fDU Y- * L**
- VIII. Storm Recovery Updates fDU Y- , L**
- IX. Town Manager/Project Updates fDU Y% \$ L**
- X. Public Comment**
- XI. Closed Session in accordance with G.S. 143-318.11 (a) (5) for the purpose of discussing property acquisition**
- XII. Adjournment**

III.

**Consider Adoption of
Resolution No. 25-09-24
Authorizing the Mayor
of the Town of Lake lure
to Execute a Public-
Private Agreement with
Lake Life LLC for the
Construction and
Maintenance of a
Boardwalk Connecting
Sciandra Marina to the
Lake House Restaurant**

LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: September 24, 2025

SUBJECT: Consider Adoption of Resolution No. 25-09-24 Authorizing the Mayor of the Town of Lake Lure to Execute a Public-Private Agreement with Lake Life LLC for the Construction and Maintenance of a Boardwalk Connecting Sciandra Marina to The Lakehouse Restaurant

AGENDA INFORMATION:

Item Number: III
Department: Community Development
Contact: Mike Williams, Community Development Director
Presenter: Mike Williams, Community Development Director

BRIEF SUMMARY:

The privately owned marina planned along Memorial Highway near the Lake House Restaurant has requested to construct a boardwalk connecting the future marina and the restaurant which would cross over Town property. James Sciandra presented plans to Council at the August Work Session and Action Meeting, noting that the boardwalk would improve safety for patrons traveling between the two locations. The boardwalk would be open to the public with no restrictions on use. Maintenance would be the responsibility of James Sciandra, who expressed that he is willing to enter into an agreement with the Town. The request was previously postponed to allow time for an agreement to be drafted. The Town Attorney has now prepared a proposed agreement which will be considered for Council approval, but the proposed agreement is subject to change based on final plans. This resolution gives the Mayor authorization of execute the final agreement.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To adopt Resolution No. 25-09-24 Authorizing the Mayor of the Town of Lake Lure to Execute a Public-Private Agreement with Lake Life LLC for the Construction and Maintenance of a Boardwalk Connecting Sciandra Marina to The Lakehouse Restaurant

ATTACHMENTS:

Resolution No. 25-09-24; Proposed Agreement

STAFF'S COMMENTS AND RECOMMENDATIONS:

Staff recommends adoption.

Resolution No. 25-09-24

A Resolution Authorizing the Mayor of the Town of Lake Lure to Execute a Public-Private Agreement with Lake Life LLC for the Construction and Maintenance of a Boardwalk Connecting Sciandra Marina to The Lakehouse Restaurant

WHEREAS, the Town of Lake Lure owns and manages the lakebed of Lake Lure and the lakefront property (Deed Book 656, Page 331) adjacent to the parcel owned by Lake Life LLC, a Florida limited liability company, described in Deed Book 2083, Page 4461 and Plat Book 31, Page 16 of the Rutherford County Registry; and

WHEREAS, Lake Life LLC, is constructing a Marina ("Sciandra Marina") on its property and has proposed constructing a pedestrian boardwalk connecting the marina to The Lakehouse Restaurant, located at 1020 Memorial Highway, Lake Lure, NC 28746; and

WHEREAS, the proposed boardwalk will be constructed with structural supports embedded into the lakebed of Lake Lure, subject to review and recommendation by the Lake Advisory Board and compliance with all applicable permitting and environmental regulations; and

WHEREAS, the boardwalk will be constructed at no cost to the Town, maintained by Lake Life LLC, and shall remain the property of the Town of Lake Lure upon completion and acceptance; and

WHEREAS, the Town Council finds that the proposed boardwalk will enhance public access, promote waterfront connectivity, and serve the public interest.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Lake Lure, North Carolina, as follows:

1. The Town Council hereby approves the Public-Private Agreement with Lake Life LLC for the construction and maintenance of the boardwalk as described.
2. The Mayor is hereby authorized and directed to execute the Agreement on behalf of the Town, and to take all necessary actions to implement its terms.
3. The Town Clerk is authorized to attest the Mayor's signature and to maintain the executed Agreement in the Town's official records.

Adopted this ____ day of _____, 2025.

TOWN OF LAKE LURE

By: _____
Carol C. Pritchett, Mayor

Attest: _____
Town Clerk

NORTH CAROLINA

RUTHERFORD COUNTY

**Public-Private Agreement for Boardwalk Construction and Maintenance
Between the Town of Lake Lure, North Carolina and Lake Life LLC**

This Agreement is made and entered into this ____ day of _____, 2025, by and between the Town of Lake Lure, a North Carolina municipal corporation, located at 2948 Memorial Highway, Lake Lure, NC 28746 ("Town") and Lake Life LLC, a Florida limited liability company, owner of Sciandra Marina, located on property more particularly described in Deed Book 2083, Page 4461 and Plat Book 31, Page 16 of the Rutherford County Registry ("Marina Owner").

Article I – Purpose

The purpose of this Agreement is to authorize the construction of a pedestrian boardwalk by Lake Life LLC on Town-owned lakefront property, more particularly described in Deed Book 656, Page 331, connecting Sciandra Marina to the Lakehouse Restaurant, located at 1020 Memorial Highway, Lake Lure, NC 28746, and to establish terms for its ownership, maintenance, and public purpose.

Article II – Property and Ownership

1. The boardwalk shall be constructed on Town-owned lakefront property (Deed Book 656, Page 331) adjacent to the parcel described in Deed Book 2083, Page 4461 and Plat Book 31, Page 16 of the Rutherford County Registry, owned by Lake Life LLC.
2. Upon completion and final inspection, ownership of the boardwalk shall vest in the Town.
3. The boardwalk shall be considered a public improvement and part of the Town's infrastructure.

Article III – Construction

1. Lake Life LLC shall be solely responsible for:
 - (a) Design, engineering, and permitting
 - (b) Compliance with all applicable local, state, and federal regulations, including Lake Lure shoreline ordinances and ADA standards
 - (c) All costs associated with construction

2. If any portion of the boardwalk shall be constructed with structural supports embedded into the lakebed of Lake Lure. Lake Life LLC shall obtain all necessary permits from:

(a) The Town of Lake Lure

(b) The North Carolina Department of Environmental Quality (NCDEQ)

(c) Any applicable federal agencies, including the U.S. Army Corps of Engineers, if required

3. Any lakebed disturbance shall comply with Lake Lure's Lake Structures Ordinance, including provisions related to anchoring, depth, and shoreline impact mitigation.

4. Prior to commencement of construction, Lake Life LLC shall submit the boardwalk design and lakebed anchoring plan to the Lake Advisory Board for review and recommendation if any portion of the boardwalk is constructed with structural supports embedded into the lakebed. The Town Council shall consider the Board's recommendation, if any, prior to final approval. No construction shall begin until such review and approval are complete.

5. The boardwalk shall be constructed substantially in the location shown in the plan drawing attached to this Agreement as Attachment A, incorporated herein by reference.

Article IV – Maintenance

1. Lake Life LLC shall maintain the boardwalk in good condition, including:

(a) Routine cleaning, repairs, and safety inspections

(b) Snow/ice removal and vegetation control

2. Maintenance shall meet standards set by the Town's Public Works Department.

3. Failure to maintain the boardwalk may result in the Town performing maintenance and billing Lake Life LLC.

Article V – Insurance and Indemnification

1. Lake Life LLC shall maintain general liability insurance in the amount of not less than \$1,000,000 per occurrence, naming the Town as an additional insured.

2. Lake Life LLC shall indemnify and hold harmless the Town, its officers, and employees from any claims, damages, or liabilities arising from the construction, use, or maintenance of the boardwalk.

Article VI – Term and Termination

1. This Agreement shall remain in effect for a term of ten (10) years, renewable upon mutual agreement.

2. The Town may terminate this Agreement in its sole discretion for:

(a) Breach of maintenance obligations

(b) Public necessity or safety concerns

(c) Noncompliance with applicable laws

The Town will exercise its discretion in good faith, recognizing the investment of Lake Life LLC and the expense of the boardwalk.

3. Upon termination, the Town may assume full maintenance responsibility or remove the boardwalk at its discretion.

Article VII – Miscellaneous

1. Governing Law: This Agreement shall be governed by the laws of the State of North Carolina.

2. Entire Agreement: This document constitutes the entire agreement between the parties.

3. Amendments: Any amendments must be in writing and signed by both parties.

4. Severability: If any provision is found invalid, the remainder shall remain in effect.

5. Environmental Compliance: Lake Life LLC shall ensure that all construction activities are conducted in accordance with applicable environmental regulations, including sediment control, aquatic habitat protection, and post-construction stabilization.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Town of Lake Lure

By: _____
Carol C. Pritchett, Mayor

Attest: _____
[Town Clerk Name], Town Clerk

Lake Life LLC

By: _____
James V. Sciandra, Member Manager

STATE OF NORTH CAROLINA
COUNTY OF RUTHERFORD

I, _____, a Notary Public of said County and State, do hereby certify that Carol C. Pritchett, Mayor of the Town of Lake Lure, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Town of Lake Lure.

Witness my hand and official seal this ____ day of _____, 2025.

Notary Public
My Commission Expires: _____

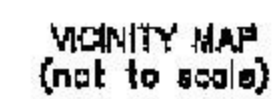
STATE OF NORTH CAROLINA
COUNTY OF RUTHERFORD

I, _____, a Notary Public of said County and State, do hereby certify that James V. Sciandra, Member Manager of Lake Life LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of Lake Life LLC.

Witness my hand and official seal this ____ day of _____, 2025.

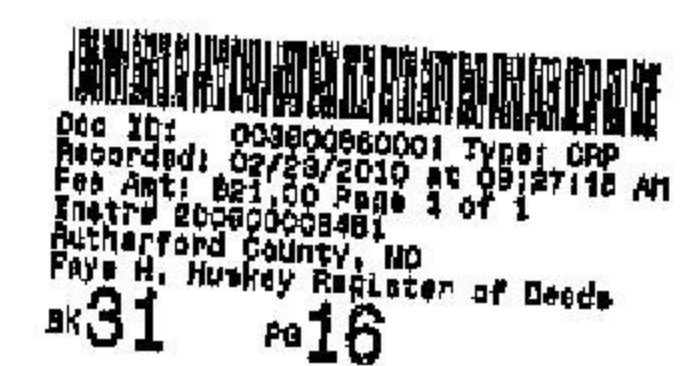
Notary Public
My Commission Expires: _____

REFERENCE BEARING



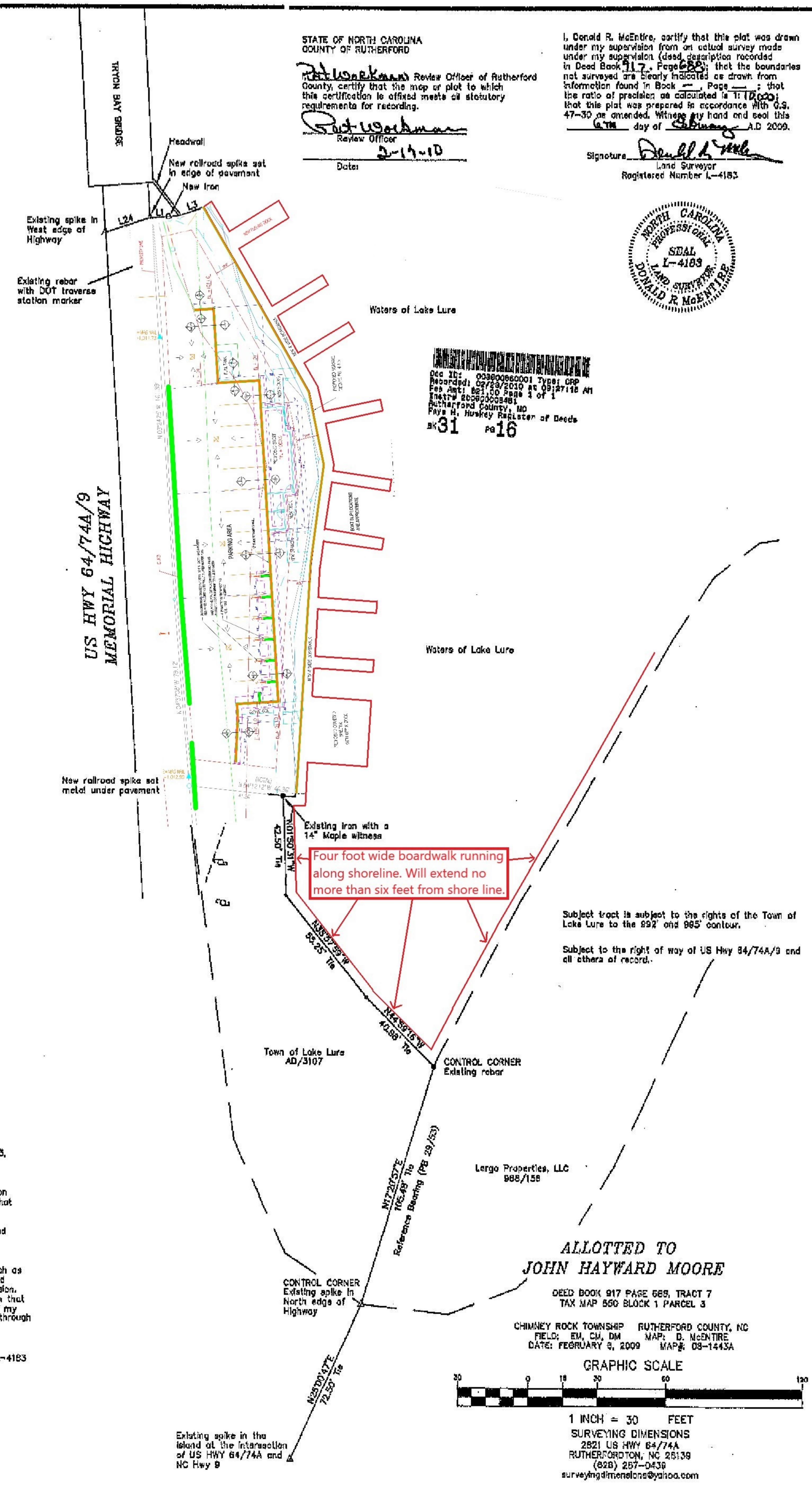
I, Donald R. McEntire, certify that this plot was drawn under my supervision from on actual survey made under my supervision from on actual survey made under my supervision (date, description of boundary in Deed Book 317 Page 288) that the boundary not surveyed are clearly indicated as drawn from information found in Book Page ; that the ratio of precision as calculated is 1:10,000; that this plot was prepared in accordance with G.S. 47-33 as amended. Witness my hand and seal this 6th day of February A.D. 2009.

Signature: Donald R. McEntire
Land Surveyor



LINE TABLE		
LINE	LENGTH	BEARING
L1	7.82	N82W20'E
L2	4.58	N69W20'E
L3	1.85	N70W45'E
L4	1.05	S30W3'E
L5	23.57	S14W20'E
L6	14.03	S22W22'E
L7	11.63	S15W44'E
L8	12.24	S32W14'E
L9	0.30	95W18'E
L10	11.70	S42W10'E
L11	26.67	S15W13'E
L12	0.86	S27W12'E
L13	8.19	S22W07'W
L14	13.23	S64W33'W
L15	18.44	S20W33'W
L16	21.34	S13W30'E
L17	24.45	S10W30'E
L18	6.47	S04W21'4"E
L19	14.30	S01W17'0"E
L20	24.81	S02W24'0"E
L21	3.11	S12W22'W
L22	5.10	N64W22'W
L23	16.20	N63W12'W
L24	20.51	N72W12'W

PROPERTY CORNER LEGEND	
•	EXISTING IRON PIN (EIP)
◻	NEW IRON PIN (NIP)
-	POINT
△	RAIL OR RAILROAD SPIKE
▣	CONCRETE MONUMENT
⊗	RIGHT OF WAY MONUMENT
●	STONE




**ALLOTTED TO
JHN HAYWARD MOORE**

DEED BOOK 017 PAGE 685, TRACT 7
TAX MAP 850 BLOCK 1 PARCEL 3

LEY ROCK TOWNSHIP RUTHERFORD COUNTY, N
J. ELD: EM, CU, DM MAP: D. MCENTIRE
DATE: FEBRUARY 3, 2009 MAP#: 03-1443A

GRAPHIC SCALE



1 INCH = 30 FEET

SURVEYING DIMENSIONS
2821 US HWY 64/77A
RUTHERFORD, NJ 07073
(609) 297-0436
surveyandmapping@snyjoo.com

7000

IV.

Discuss Issues with Well Systems in the Town Right of Ways

LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: September 24, 2025

SUBJECT: Discuss Issues with Well Systems in the Town Right of Ways

AGENDA INFORMATION:

Item Number: IV
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

As a result of Hurricane Helene, a number of private wells have been impacted, creating a need for property owners to replace their wells. Three areas particularly affected are Charlotte Drive, Yacht Island, and Burnt Ridge Road. One property has installed a replacement well that appears to be less than 30 feet from the center of the road (60-foot Right-of-Way (ROW)). Several other properties will face similar situations if they replace their wells. Another property addressed the issue by installing the well 2 feet below the road surface using a PVC sleeve and pipe. While this installation was not within the ROW, it involved drilling under a Town road, which is prohibited.

In most, if not all, of these cases, the Town should have been, or should be, approached to request a right-of-way encroachment agreement. Each encroachment agreement will require Council approval. Further, establishing a fee may be appropriate. Each agreement would include indemnity provisions to protect the Town.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

None at this time.

STAFF'S COMMENTS AND RECOMMENDATIONS:

Staff recommends allowing the Town Attorney to draft encroachment agreements and for Town staff to proposed an amendment to the fee schedule to establish an encroachment fee.

V.

**Consider Approval of
Power Purchase
Agreement and
Interconnection
Agreement with Duke
Energy**

LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: September 24, 2025

SUBJECT: Consider Approval of Power Purchase Agreement and Interconnection Agreement with Duke Energy

AGENDA INFORMATION:

Item Number: V
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

The Town's Power Purchase Agreement (PPA) with Duke Energy is set to expire in November. Since the hydroelectric plant is currently inoperable, it is recommended to maintain the PPA but default to a monthly rate, which will have no impact on the Town while the plant remains offline. If the hydro plant is restored in the future, a new PPA can be negotiated at that time.

Additionally, Duke has advised that an interconnection agreement is required in addition to the PPA. The Town's previous interconnection agreement expired in 2022, so a new agreement is necessary. We have requested information on the possibility of waiving the monthly interconnection fee while the hydro plant is not producing. Duke is reviewing this request and expects that the fee may be paused.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To approve the Power Purchase Agreement and Interconnection Agreement, contingent upon the monthly interconnection fee being waived while the hydroelectric plant is not producing.

ATTACHMENTS:

Power Purchase Agreement; Interconnection Agreement

STAFF'S COMMENTS AND RECOMMENDATIONS:

Staff recommends approval contingent upon the monthly interconnection fee being waived while the hydroelectric plant is not producing.



**AGREEMENT FOR THE PURCHASE AND SALE OF
AS AVAILABLE ENERGY FROM
A QUALIFYING FACILITY**

between

TOWN OF LAKE LURE

and

DUKE ENERGY CAROLINAS, LLC



**AGREEMENT FOR THE PURCHASE AND SALE OF
AS AVAILABLE ENERGY FROM
A QUALIFYING FACILITY**

This Agreement for the Purchase and Sale of As Available Energy from a Qualifying Facility (the "Agreement") dated [REDACTED], 2025, is made and entered into by and between Town of Lake Lure, a North Carolina municipal corporation (hereinafter referred to as the "Seller"), and Duke Energy Carolinas, LLC, a North Carolina limited liability company (hereinafter referred to as the "Company"). The Seller and the Company may be hereinafter referred to individually as a "Party" and collectively as the "Parties." Notwithstanding anything set forth herein, this Agreement will be effective on October 31, 2025 (the "Effective Date") under the terms specified herein.

WITNESSETH:

WHEREAS, Seller is a Qualifying Facility and desires to sell As Available Energy generated by the Facility and made available for sale to the Company pursuant to PURPA, and Company desires to purchase the As Available Energy from the Facility pursuant to the terms specified herein; and

WHEREAS, the Seller has acquired an interconnection service agreement with the Transmission Service Utility in whose service territory the Facility is located, pursuant to which the Seller is permitted to interconnect and operate the Facility with the Transmission Service Utility's system and to deliver the As Available Energy generated by the Facility to the Company, which shall be Seller's sole responsibility;

NOW, THEREFORE, for mutual consideration, the Parties covenant and agree as follows.

ARTICLE I: DEFINITIONS

As used in this Agreement and in the Appendices hereto, the following capitalized terms shall have the following meanings:

- 1.1 **As Available Energy** means Energy produced by the Facility and sold by Seller on an hour-by-hour basis for which contractual commitments as to quantity, time, or reliability of delivery are not required.

- 1.2 **Business Day** means any day on which the Federal Reserve member banks in New York City are open for business. A Business Day shall run from 8:00 a.m. to 5:00 p.m. Eastern Prevailing Time.
- 1.3 **Commission** means the North Carolina Utilities Commission or any successor thereto.
- 1.4 **Delivered Energy** means the quantity of As Available Energy delivered to the Company's Point of Delivery by the Facility.
- 1.5 **Effective Date** is defined in the introductory paragraph hereto.
- 1.6 **Emergency Condition** means: (i) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is existing on the System; (ii) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is likely to result in any of the following: (a) loss or damage to the Facility and/or the System, (b) disruption of generation by the Facility, (c) disruption of service or stability on the System, and/or (d) endangerment to human life or public safety; and/or, (iii) any circumstance that requires action by the System Operator to comply with standing NERC regulations or standards, including without limitation actions to respond to, prevent, limit, or manage loss or damage to the Facility, loss or damage to the System, disruption of generation by the Facility, disruption of service on the System, an abnormal condition on the System, and/or endangerment to human life or safety.
- 1.7 **Energy** means three-phase, 60-cycle alternating current electric power and energy, expressed in either KWh or MWh and produced by the Facility.
- 1.8 **Facility** means the 3.4 MW Seller owned hydroelectric generating facility known as the Lake Lure Hydro Facility located at 198 Buffalo Shoals Road, Lake Lure, NC 28746, as further described in Exhibit A.
- 1.9 **FERC** means the Federal Energy Regulatory Commission and any successor thereto.
- 1.10 **Force Majeure Event** means an event or occurrence that is not reasonably foreseeable by a Party, is beyond its reasonable control, and is not caused by its negligence or lack of due diligence, including, but not limited to,

natural disasters, fire, lightning, wind, perils of the sea, flood, explosions, acts of God or the public enemy, strikes, lockouts, vandalism, blockages, insurrections, riots, war, sabotage, action of a court or public authority, or accidents to or failure of equipment or machinery, including, if applicable, equipment of the Transmission Service Utility.

- 1.11 **Governmental Authority** means any federal, state or local government, legislative body, court of competent jurisdiction, administrative agency or commission or other governmental or regulatory authority or instrumentality or authorized arbitral body, including, without limitation, the Commission.
- 1.12 **KW** means kilowatt.
- 1.13 **KWh** means kilowatt-hour.
- 1.14 **Maintenance Outage** means the temporary operational removal of the Facility from service to perform work on specific components of the Facility, at a time when the Facility must be removed from service before the next Planned Outage in the interest of safety or the prevention of injury or damage to or undue wear and tear on the Facility or any component thereof.
- 1.15 **MW** means megawatt.
- 1.16 **MWh** means megawatt-hour.
- 1.17 **NERC** means the North American Electric Reliability Corporation. For purposes of this Agreement, NERC includes any applicable regional entity with delegated authority from NERC, such as the SERC Reliability Corporation (“SERC”).
- 1.18 **Planned Outage** means the temporary operational removal of the Facility from service to perform work on specific components in accordance with a pre-planned operations schedule, such as for a planned annual overhaul, inspections, or testing of specific equipment of the Facility.
- 1.19 **Point of Delivery** means the point(s) where As Available Energy is delivered to the Company at the point of interconnection between the Facility and the System on the high side (Company or Transmission Provider side) of the System, as indicated in Exhibit A.

- 1.20 **Point of Metering** means the point(s) where As Available Energy made available for delivery to the Company, subject to adjustment for losses, is measured.
- 1.21 **Prudent Utility Practice** means those practices, methods, equipment, specifications, standards of safety, and performance, as the same may change from time to time, as are commonly used in the construction, interconnection, operation, and maintenance of electric power facilities, inclusive of delivery, transmission, and generation facilities and ancillaries, which in the exercise of good judgment and in light of the facts known at the time of the decision being made and activity being performed are considered: (i) good, safe, and prudent practices; (ii) are in accordance with generally accepted standards of safety, performance, dependability, efficiency, and economy in the United States; (iii) are in accordance with generally accepted standards of professional care, skill, diligence, and competence in the United States; and, (iv) are in compliance with applicable regulatory requirements and/or reliability standards. Prudent Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of others, but rather are intended to include acceptable practices, methods and acts generally accepted in the energy generation and utility industry.
- 1.22 **PURPA** means the Public Utility Regulatory Policies Act of 1978, as amended, and as may be amended from time to time.
- 1.23 **Qualifying Facility or QF** means an electric generating facility that has been registered and certified by FERC as a generator that qualifies for and meets the requirements set forth in PURPA, as it may be amended, and associated rules, regulations, orders.
- 1.24 **Requirements of Law** means any federal, state, and local law, statute, regulation, rule, code, ordinance, resolution, order, writ, judgment, decree or Permit enacted, adopted, issued or promulgated by any Governmental Authority, including, without limitation, (i) PURPA, (ii) those pertaining to the creation and delivery of As Available Energy, (iii) those pertaining to

electrical, building, zoning, occupational safety, health requirements or to pollution or protection of the environment, and (iv) principles of common law under which a person may be held liable for the release or discharge of any hazardous substance into the environment or any other environmental damage.

- 1.25 **System** means the transmission, distribution, and generation facilities that are owned, directed, managed, interconnected, controlled, and/or operated by Company, including, without limitation, facilities to provide retail and/or wholesale service, substations, circuits, reinforcements, meters, extensions, and equipment associated with or connected to any interconnected facility or customer.
- 1.26 **System Operator** means the operator(s) of the System that have the responsibilities for ensuring that the System as a whole operates safely and reliably, including without limitation, the responsibilities to comply with any applicable operational or reliability requirements, the responsibilities to balance generation supply with customer load, and to provide dispatch and curtailment instructions to generators supplying Energy to the System, and includes any person or entity delivering any such instruction to Seller.
- 1.27 **System Operator Instruction** means any order, action, requirement, demand, or direction, from the System Operator in accordance with Prudent Utility Practice, and delivered to Seller in a non-discriminatory manner, to operate, manage, and/or otherwise maintain safe and reliable operations of the System, including, without limitation, an order to suspend or interrupt any operational activity due to an Emergency Condition or Force Majeure event; provided however, a System Operator instruction in response to an Emergency Condition, Force Majeure event, or operational condition relating specifically to or created by the Facility shall not be deemed or considered discriminatory.
- 1.28 **Transmission Service Utility** means the electric utility with which the Facility is directly and physically interconnected with for the purpose of delivering the As Available Energy to the Point of Delivery pursuant to an

interconnection agreement with the Transmission Service Utility. The Transmission Service Utility for purposes of this Agreement shall be Duke Energy Carolinas, LLC.

ARTICLE II: FACILITY

- 2.1 Seller shall operate the Facility in compliance with all: (i) System Operator Instructions provided by the Company; and (ii) applicable operating guidelines established by NERC and the SERC or any successor thereto.
- 2.2 The Facility shall meet all the respective specifications identified in Exhibit A, attached hereto, in all material respects absent written consent by the Company, which shall not be unreasonably withheld or delayed; provided, however, no change in the designated location of the Facility shall be made by Seller.
- 2.3 If the Facility is to be equipped with battery storage or other Energy storage device (the “Storage Resource”), the Storage Resource shall be identified in this Agreement. In all cases the Storage Resource must be charged solely by the Facility and the use of any Storage Resource shall be operated and equipped in accordance with the System Operator’s then current Energy storage protocols which have been provided to Seller in writing.
- 2.4 Throughout the Term of this Agreement, the Facility shall be a Qualifying Facility. In the event that the Facility does not maintain its status as a Qualifying Facility, the Company will have no further obligation to purchase As Available Energy from such Facility and this Agreement shall be immediately deemed terminated as of said date and of no further effect.
- 2.5 Unless the Facility is already interconnected to a transmission or distribution system, no later than sixty (60) days after the Effective Date, the Facility shall apply to its Transmission Service Utility for transmission service including a system impact study, if required. The Facility shall continue the interconnection process in a timely manner to maintain its position in the interconnection queue.
- 2.6 The Seller intends to begin deliveries to the Company by the Effective Date.

ARTICLE III: TERM; RIGHT TO SUSPEND

- 3.1 **Term.** The Term of this Agreement shall begin on the Effective Date and shall remain in full force and effect until October 31, 2030 unless the Term is extended by the mutual agreement of the Parties, or earlier terminated by either Party based on one or more of the below specified termination rights.
- A. Termination by Seller:** Seller may terminate this Agreement for its convenience at any time, for any reason or no reason, by providing written notice to Company.
- B. Termination by Company.** The Company may terminate this Agreement, in whole or in part by providing not less than thirty (30) days written notice to Seller based on any of the following: (i) Seller's default of any material term of this Agreement which has not been cured within thirty (30) days after Company's written notice of default to Seller; (ii) as permitted in Article 4.4 below; (iii) if Company determines that Seller or any Facility covered under this Agreement does not qualify for the Contract Price under the Rate Schedule as defined in Section 6.1 herein; or (iv) if Company's legal obligation to purchase As Available Energy from the Facility has been terminated, including without limitation, pursuant to 18 C.F.R. Section 292.309.
- C.** Upon termination or expiration of this Agreement, the Parties shall be relieved of their obligations under this Agreement except for the obligation to pay each other all monies under this Agreement, which obligation shall survive termination or expiration.
- 3.2 **Right to Suspend.** Company, in addition to all other legal remedies available under this Agreement, may during the pendency of any of the below stated conditions, suspend its obligations under this Agreement based on: (i) an event of default by Seller, (ii) any unauthorized use of Company's meter, (iii) an Emergency Condition including, without limitation, any condition on Seller's side of the Point of Delivery actually known by Company to be, or which Company reasonably anticipates may be,

dangerous to life or property. The Company shall promptly notify Seller of any such suspension in accordance with the provisions of Article 15.

ARTICLE IV: PURCHASE OF AS AVAILABLE ENERGY

- 4.1 Seller shall sell and arrange for delivery of the As Available Energy from the Facility to the Company and the Company agrees to purchase, accept and pay for the As Available Energy which the Company is able to receive at the Point of Delivery, in accordance with the terms and conditions of this Agreement.
- 4.2 No renewable energy certificates or environmental attributes (collectively, “RECs”) are included under this Agreement and Seller shall retain all rights to own and to sell all RECs associated with the electric generation of the Facility.
- 4.3 Seller shall comply with all System Operator Instructions, including without limitation, the curtailment procedures detailed in the Company’s System Operations Reference Manual for the Carolinas filed with the North Carolina Utilities Commission in Docket No. E-100, Sub 148 and as updated from time to time.
- 4.4 In the event that, after the Effective Date, the Company has not received any deliveries of As Available Energy from the Seller for a period of six (6) months or more, then the Company may contact the Seller in writing at the address specified in Article 15 requesting confirmation that Seller desires for this Agreement to continue. If Seller fails to confirm its desire to continue this Agreement within thirty (30) days after Company’s written communication to Seller, then Company shall have the right to terminate this Agreement by providing written notice to Seller.
- 4.5 Deliveries of As Available Energy to the Company shall be made in accordance with the following one-time-only option.
(X) All deliveries of As Available Energy from this Facility will be made to the Company.

() As Available Energy deliveries from this Facility will be made to the Company and to other parties.

- 4.6 Unless the Seller is required by an Operating Agreement to adjust VAR production to support voltage control, when the Seller consumes VARs supplied by the Company or the Seller delivers VARs to Company, the Company may reduce the purchased energy measured in KWh for that month by multiplying by the Average Consumed Power Factor. The Average Consumed Power Factor shall be calculated on a monthly basis as the average KWh divided the average kVAh, where average kVAh shall be the square root of the sum of the average KWh squared plus the average consumed and delivered kVARh squared. Company reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of Company. If a Seller without an Operating Agreement is requested by the Company to operate pursuant to a voltage schedule by providing or absorbing VARS, the Seller shall be compensated in the same manner as sellers with Operating Agreements.

ARTICLE V: INTERCONNECTION

- 5.1 Seller shall enter into, or has entered into, an interconnection agreement in accordance with the Transmission Service Utility's interconnection standards and requirements applicable to the Facility as may be modified from time to time.
- 5.2 The Seller's interconnection scheduling and cost responsibilities and parallel operating procedures shall be those specified in a separate interconnection agreement with the Transmission Service Utility.
- 5.3 The location and voltage of the Point of Interconnection and the Point of Metering will be specified in the interconnection agreement and/or the transmission service agreement.
- 5.4 The interconnection agreement and/or transmission service agreement shall constitute separate agreement(s) between Seller and Transmission Service

Utility and will exclusively govern all requirements and obligations addressed therein and Seller shall be solely and fully responsible for all costs and expenses for which Seller is responsible for under such interconnection agreement and/or transmission service agreement.

ARTICLE VI: ENERGY DELIVERY AND PAYMENTS

- 6.1 **Contract Price.** The “Contract Price” for As Available Energy delivered to the Company under this Agreement shall be the rates for “as available” energy only specified in the Company’s Purchased Power Schedule PP (NC), North Carolina Fourteenth Revised Leaf No. 90 on file with the Commission, or any updates or replacements thereto (the “Rate Schedule”), in effect (including temporary authorizations) at the time the As Available Energy is delivered to Company. The Rate Schedule is subject to change, revision, alteration or substitution, either in whole or in part, upon order of the Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration or substitution shall immediately be made a part hereof as though fully written herein and shall nullify any prior provision in conflict therewith.
- 6.2 **Energy Delivery.** Seller shall be fully responsible for all costs, charges, expenses, and requirements associated with delivering the As Available Energy to Company at the Point of Delivery including all losses associated with delivering the As Available Energy from the Facility over the electrical system of the Transmission Service Utility. Company will have no obligation to pay for any As Available Energy not delivered to Company at the Point of Delivery.
- 6.3 **Payment for As Available Energy.** Each month during the Term of this Agreement, Company agrees to pay Seller the product of the Contract Price for the As Available Energy multiplied by the amount of As Available Energy delivered by the Facility to Company at the Point of Delivery during each billing period.

- 6.4 **Emergency Condition.** Company shall be excused from any obligation to purchase, accept or receive Energy from the Facility due to an Emergency Condition or any curtailments resulting therefrom.
- 6.5 **Transfer.** In no event will Seller generate, procure or have the right to procure the As Available Energy or any portion thereof from any source other than the Facility for sale and delivery pursuant to this Agreement. Title to and risk of loss to the As Available Energy sold and delivered hereunder shall transfer from Seller to Company after completion of delivery at the Point of Delivery. Seller shall be responsible for any costs and charges imposed on or associated with the As Available Energy prior to the delivery of the As Available Energy to Company. Company shall be responsible for any costs or charges imposed on or associated with the As Available Energy after delivery to Company.

ARTICLE VII: SELLER COMPLIANCE REQUIREMENTS

- 7.1 **Required Approvals.** Seller shall at its sole cost and expense timely obtain, maintain, and comply with all Required Approvals (definition follows) during the Term of this Agreement. “Required Approvals” means all the following:
- (i) All approvals and certifications that the Facility is a Qualifying Facility.
 - (ii) All permits, authorizations, certifications, and/or approvals from any Governmental Authority and under any Requirements of Law, including, without limitation, from the Commission or FERC, for Seller to construct, build, own, operate, and maintain the Facility and sell and deliver the As Available Energy to Company and meet its requirements under this Agreement.
- 7.2 **Seller Covenants.** Seller covenants and warrants to Company as of the Effective Date of this Agreement and throughout the Term of this Agreement that: (a) Seller has obtained, if applicable, an approved and valid certificate of public convenience and necessity for each applicable Facility

from the Commission; (b) Seller has submitted to the Transmission Service Utility and the Transmission Service Utility has accepted the completed interconnection request for the Facility; and (c) Seller has obtained all applicable required certifications and/or approvals for the Facility from FERC. Seller will indemnify and hold Company harmless for any breach or failure relating to any of the foregoing covenants and warranties, notwithstanding anything else to the contrary in this Agreement.

- 7.3 **Seller Requirements.** Within twenty (20) business days of a written request from Company, Seller agrees to provide Company with all information, documents, and affidavits from a duly authorized representative of Seller certifying that the Facility fully complies with PURPA. Any sales by Seller to Company pursuant to this Agreement shall be deemed to be pursuant to PURPA and FERC's related orders.

ARTICLE VIII: METERING

- 8.1 **Adjustment for Losses.** All As Available Energy delivered to the Company shall be adjusted for losses from the Point of Metering to the Point of Delivery.
- 8.2 **Records.** Company may require additional meter readings, records, transfer of information, etc. as may be agreed upon by the Parties, including meter readings taken from revenue quality meters from the Facility for any periods during which the Facility was delivering Energy to the Company. Company reserves the right to provide to the Commission or the FERC or any other regulatory body, upon request, information pertaining to this Agreement, including but not limited to: records of the Facility's generation output and Company's purchases thereof (including copies of monthly statements of power purchases and data from load recorders and telemetering installed at the Facility); copies of this Agreement.
- 8.3 **Meter Audit Rights.** Seller shall keep and make available to the Company complete and accurate records of all metered Energy from the Facility. Seller shall maintain such records for a period of at least twelve (12) months

after the completion of the relevant billing month hereunder; provided, however, records relating to a disputed matter shall be retained until the dispute is resolved.

ARTICLE IX: PAYMENT PROCEDURE

9.1 **Delivered Energy.** For billing purposes, Delivered Energy from the Seller shall be calculated by Company monthly. Such Delivered Energy shall reflect the cumulative amounts as of 12:00 a.m. on the first day of each calendar month through the end of the month. Delivered Energy shall include all As Available Energy delivered to Company from the Facility for the prior month under this Agreement. Bills shall be issued, and payments shall be made monthly to the Seller and by the Seller in accordance with the following procedures:

9.1.1 The As Available Energy payment calculated for a given month shall be tendered, with cost tabulations showing the basis for payment, by the Company to the Seller as a single payment. Company shall pay Seller any amounts due and payable hereunder on or before the later of the twentieth (20th) day of the month following the calendar month of the delivery of the Energy to Company or the tenth (10th) day after receipt of invoice. If either date falls on a day which is not a Business Day, payment will be due on the following Business Day.

9.1.2 When any amount is owing from the Seller hereunder, the Company shall issue a monthly bill to the Seller with cost tabulations showing the basis for the charges. All amounts owing to the Company from the Seller shall be due and payable twenty (20) days after the date of the Company's billing statement. Amounts owing to the Company for retail electric service shall be payable in accordance with the provisions of the applicable rate schedule.

9.1.3 Parties reserve the right to set off against any amounts due from the other Party, any amounts which are due from such other Party,

including, but not limited to, unpaid charges pursuant to any past due balances on any accounts Seller has with Company for other services, or other charges. At the option of the Seller, the Company will provide a net payment or net bill, whichever is applicable, that consolidates amounts owing to the Seller with amounts owing to the Company.

- 9.1.4 Payments to be made under this Agreement shall, for a period of no longer than two (2) years, remain subject to adjustment based on billing adjustments due to auditing of the Seller's monthly meter readings by the Company and other error or omission by either Party.

ARTICLE X: INTENTIONALLY OMITTED.

ARTICLE XI: CHANGE IN LAW

- 11.1 **Regulatory Event.** A "Regulatory Event" means one or more of the following events: (i) Illegality. After the Effective Date, due to the adoption of, or change in, any applicable Requirements of Law or in the interpretation thereof by any Governmental Authority with competent jurisdiction, it becomes unlawful for a Party to perform any material obligation under this Agreement; and (ii) Adverse Government Action. After the Effective Date, there occurs any adverse material change in any applicable Requirements of Law (including material change regarding a Party's obligation to sell, deliver, purchase, or receive the As Available Energy) and any such occurrence renders illegal or unenforceable any material performance or requirement under this Agreement.
- 11.2 **Process.** Upon the occurrence of a Regulatory Event the Party affected by the Regulatory Event may notify the other Party in writing of the occurrence of a Regulatory Event, together with details and explanation supporting the occurrence of a Regulatory Event. Upon receipt of such notice, the Parties agree to undertake, during the thirty (30) days

immediately following receipt of the notice, to negotiate such modifications to reform this Agreement to remedy the Regulatory Event and attempt to give effect to the original intention of the Parties. Upon the expiration of the 30-day period, if the Parties are unable to agree upon modifications to the Agreement that are acceptable to each Party, in each Party's sole discretion, then either Party shall have the right, in such Party's sole discretion, to terminate this Agreement with thirty (30) days advance written notice.

ARTICLE XII: FACILITY RESPONSIBILITY AND ACCESS

- 12.1 Representatives of the Company shall during normal working hours as agreed by the Parties have access to the Facility and to property owned or controlled by the Seller and having relationship to the interconnection for the purpose of inspecting, testing, and obtaining other technical information deemed necessary by the Company in connection with this Agreement. Any inspections or testing by the Company shall not relieve the Seller of its obligation to maintain the Facility.
- 12.2 In no event shall any Company statement, representation, or lack thereof, either express or implied, relieve the Seller of its exclusive responsibility for the Facility and its exclusive obligations, if applicable, with the Transmission Service Utility. Any Company inspection of property or equipment owned or controlled by the Seller or the Transmission Service Utility, or any Company review of or consent to the Seller's or the Transmission Service Utility's plans, shall not be construed as endorsing the design, fitness or operation of the Facility or the Transmission Service Utility's equipment nor as a warranty or guarantee.

ARTICLE XIII: INDEMNIFICATION

- 13.1 The Seller agrees to indemnify and save harmless the Company and its employees, officers, and directors against any and all liability, loss, damage, costs or expense which the Company, its employees, officers and directors

may hereafter incur, suffer or be required to pay by reason of negligence on the part of the Seller in performing its obligations pursuant to this Agreement or the Seller's failure to abide by the provisions of this Agreement. The Company agrees to indemnify and save harmless the Seller and its employees, officers, and directors against any and all liability, loss, damage, cost or expense which the Seller, its employees, officers, and directors may hereafter incur, suffer, or be required to pay by reason of negligence on the part of the Company in performing its obligations pursuant to this Agreement or the Company's failure to abide by the provisions of this Agreement.

ARTICLE XIV: EXCLUSION OF INCIDENTAL CONSEQUENTIAL AND INDIRECT DAMAGES

14.1 Neither Party shall be liable to the other for incidental, consequential or indirect damages, including, but not limited to, the cost of replacement power, whether arising in contract, tort, or otherwise.

ARTICLE XV: COMMUNICATIONS

15.1 Any non-emergency or operational notice, request, consent, payment or other communication made pursuant to this Agreement to be given by one Party to the other Party shall be in writing, delivered by email, hand delivery, certified mail (postage prepaid and return receipt requested), or sent by overnight mail or courier. Hand and email delivered notices shall be deemed delivered by the close of the Business Day on which it was delivered. Notices provided by certified mail (postage prepaid and return receipt requested), mail delivery or courier service, or by overnight mail or courier service will be deemed received on the date of delivery recorded by the delivery service or on the tracking receipt, as applicable. Notwithstanding anything to the contrary, if the day on which any notice is delivered or received is not a Business Day or is after 5:00 p.m. EPT on a Business Day, then it shall be deemed to have been received on the next



following Business Day. Notices and other communications by the Company to the Seller shall be addressed to:

Notices to the Seller shall be addressed to:

Town of Lake Lure

Attn: _____

Email: _____

with a copy to: _____

Notices to the Company shall be addressed to:

Duke Energy Carolinas, LLC
525 South Tryon Street
DE Plaza 12th Floor
Charlotte, North Carolina 28202
Attn.: Contract Manager
PPA@Duke-Energy.com

*With Additional Notices of Events of Default
Or Potential Event of Default to:*
525 South Tryon Street. MC: DEP-09B
Charlotte, North Carolina 28202
Attn.: VP, Transactional Legal Support

- 15.2 Communications made for emergency or operational reasons may be made to the following persons and shall thereafter be confirmed promptly in writing.

To the Company: System Dispatcher on Duty
Title: System Dispatcher
Telephone: (800) 225-5838

To the Seller:

Name: _____

Email: _____

Telephone: _____

- 15.3 Either Party may change their respective contact information by prior written notice to the other Party.
- 15.4 The Parties' representatives designated above shall have full authority to act for their respective principals in all technical matters relating to the performance of this Agreement. However, they shall not have the authority to amend, modify, or waive any provision of this Agreement.

ARTICLE XVI: ASSIGNMENT

- 16.1 **Limitation.** Except as set forth below with respect to pledging as collateral security, Seller shall not assign, pledge, or encumber this Agreement, or any rights or obligations under the Agreement, or any portion hereunder, without Company's prior written consent, which consent shall not be unreasonably withheld. Any proposed assignee shall agree in writing, in a form reasonably acceptable to Company, to be bound by the terms and conditions hereof. Notwithstanding anything to the contrary herein, Company may pledge, encumber, or assign this Agreement without any restriction.
- 16.2 **Pledge.** Seller may, without prior consent of Company but with no less than ten (10) days prior written notice to Company, pledge as collateral security this Agreement to a financing party in connection with any loan, lease, or other debt or equity financing arrangement for the Facility. Any pledge of this Agreement as collateral security will not relieve Seller of any obligation or liability under this Agreement, and it will not create any rights, including any third-party beneficiary rights, for any person under this Agreement.
- 16.3 **Notification of Transfer or Sale of Facility.** In the event of any sale or transfer of the Facility, the Seller shall provide a minimum of thirty (30) days prior written notice advising Company of any plans for such sale or transfer.

ARTICLE XVII: CONFIDENTIALITY

- 17.1 **Protected Information.** Except as otherwise set forth in this Agreement, neither Party shall, without the prior written consent of the other Party, disclose any term of this Agreement or any information relating to this Agreement, or any discussion or documents exchanged between the Parties in connection with this Agreement (such information, the “Protected Information”) to any third person, other than the Party’s Representatives (as defined below) who have a need to know such information in order to carry out the intended purpose of this Agreement or in connection with the construction, operation, maintenance, financing, sale or purchase of the Facility and who have agreed to keep such terms confidential subject to similar confidentiality restrictions as those set forth herein. As used herein the term “Representative” shall include a Party’s employees, affiliates, counsel, accountants, and current and prospective lenders and investors in the Facility. Each Party shall be liable in the event of a breach of such confidentiality obligation by its Representative. Each Party shall be entitled to all remedies available at law or in equity, including but not limited to specific performance and/or injunctive relief, to enforce, or seek relief in connection with this confidentiality obligation. The confidentiality restrictions set forth in this Article 17 shall survive the expiration or termination of this Agreement for a period of five (5) years after such expiration or early termination as applicable.
- 17.2 **Non-Protected Information.** Protected Information does not include information: (i) that is or becomes available to the public other than by disclosure of receiving Party in breach of this Agreement; (ii) known to receiving Party prior to its disclosure; (iii) available to receiving Party from a third party who is not bound to keep such information confidential; or, (iv) independently developed by the receiving Party without reliance upon the Protected Information.
- 17.3 **Return of Protected Information.** Upon request of disclosing Party, receiving Party shall either: (i) return the Protected Information, including all copies, or (ii) destroy the Protected Information, including all copies,

and present written assurances of the destruction to disclosing Party. Notwithstanding the foregoing, both Parties acknowledge that Protected Information transferred and maintained electronically (including e-mails) may be automatically archived and stored by Receiving Party on electronic devices, magnetic tape, or other media for the purpose of restoring data in the event of a system failure (collectively, “Back-Up Tapes”). Notwithstanding the terms of this Agreement, in no event shall Receiving Party be required to destroy Protected Information stored on Back-Up Tapes; provided, however, any Protected Information not returned or destroyed pursuant to this Article shall be kept confidential for the duration of its existence. Furthermore, the receiving Party may retain one (1) copy of such Protected Information in receiving Party’s files solely for audit and compliance purposes for the duration of its existence; provided, however, such Protected Information shall be kept confidential for the duration of its existence in accordance with the terms of this Agreement.

- 17.4 **Required Disclosure.** Except as specified in Article 17.5 below, in the event the receiving Party or its Representative is required, pursuant to any applicable court order, administrative order, statute, regulation or other official order by any Governmental Authority or any agency or department thereof to disclose any Protected Information, the receiving Party shall: (i) provide the disclosing Party with prompt written notice of any such request or requirement so that the disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement; and (ii) reasonably cooperate with the disclosing Party to obtain such protective order or other remedy. In the event such protective order or other remedy is not obtained or the disclosing Party waives compliance with the relevant provisions of this Agreement, the receiving Party agrees to (a) furnish only that portion of the Protected Information for which the disclosing Party has waived compliance with the relevant provisions of this Agreement or which, in the opinion of receiving Party’s legal counsel, the receiving Party is legally required to disclose, (b) upon

the disclosing Party's request and expense, use its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded to such information, and (c) give the disclosing Party prior written notice of the Protected Information to be disclosed as is reasonably practicable.

- 17.5 **Disclosures by Company.** This Article 17.5 will apply notwithstanding anything to the contrary in this Agreement. Seller understands and acknowledges that Company is regulated by various regulatory and market monitoring entities. Company is permitted, in its sole discretion, to disclose or to retain and not destroy (in case of a future disclosure need as determined by Company in its sole discretion) any information (including Protected Information) to any Governmental Authority or any other regulator or legislative body without providing prior notice to or obtaining the consent of Seller, using Company's business judgment and the appropriate level of confidentiality Company seeks for any such disclosures or retentions in its sole discretion.

ARTICLE XVIII: SECTION HEADINGS FOR CONVENIENCE

- 18.1 Article or section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

ARTICLE XIX: GOVERNING LAW

- 19.1 The interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of North Carolina.

ARTICLE XX: NON-WAIVER; RESERVATION OF DEFENSES

- 20.1 **Non-Waiver.** No waiver by any Party of any of its rights with respect to the other Party or with respect to any matter or default arising in connection with this Agreement shall be construed as a waiver of any subsequent right, matter or default whether of a like kind or different nature. Any waiver



under this Agreement will be effective only if it is in writing that has been duly executed by an authorized representative of the waiving Party.

20.2 **Reservation of Defenses.** By entering into this As Available Agreement, the Company hereby reserves and does not waive any argument or defense that a Qualifying Facility must obtain a CPCN and otherwise comply with all Commission requirements for establishing a legally enforceable obligation in order to qualify for and enter into a long-term fixed rate contract with Company or its affiliates under PURPA.

20.3 **Reservation of rights and claims.** By entering into this As Available Agreement, the Seller hereby reserves and does not waive any argument or claim that it has previously established a Legally Enforceable Obligation under PURPA, and that such obligation remains in effect.

IN WITNESS WHEREOF, Seller and Company have caused this Agreement to be executed by their respective duly authorized officers as of the date below.

Duke Energy Carolinas, LLC

BY: _____
NAME: Kelly McNeil
TITLE: Manager of Renewable Energy Contracts & Process Governance
DATE: _____

Town of Lake Lure

BY: _____
NAME: _____
TITLE: _____
DATE: _____

Exhibit A

Facility Information

1. Facility Name: Lake Lure Hydro Facility
2. Facility Address: 198 Buffalo Shoals Road, Lake Lure, NC 28746
3. Description of Facility (include number, manufacturer and model of Facility generating units, and layout):

Consisting of a powerhouse including two vertical shaft Francis-type hydroelectric turbines and generators with a total nameplate capacity of approximately 3,400 kilowatts, control equipment, electric power delivery facilities and the Lake Lure dam and reservoir, which are located on the Broad River in the Town of Lake Lure, North Carolina.

Delivery of power is made at the 12,470 volt bushings on the Duke Energy Carolinas side of Lake Lure's vacuum fault interrupter adjacent to Duke Energy Carolinas Lake Lure Retail Substation near the Facility where Duke Energy Carolina's 12,470 volt conductors connect to the bushings.

4. Nameplate Capacity Rating (MW): 3.4 MW
5. Fuel Type/Generation Type: Hydro
6. System Operator Instruction Dispatch Control Equipment: n/a
7. Site Map: n/a
8. Delivery Point Diagram: n/a
9. UPON EXECUTION OF THE AGREEMENT TO WHICH THIS EXHIBIT IS ATTACHED, ANY MATERIAL MODIFICATION TO THE FACILITY SHALL REQUIRE COMPANY'S PRIOR APPROVAL, WHICH SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED, AND SHALL BE MEMORIALIZED IN WRITING IN AN AMENDMENT TO THE AGREEMENT .

NORTH CAROLINA

INTERCONNECTION AGREEMENT

For State-Jurisdictional Generator Interconnections

Effective October 11, 2021

Docket No. E-100, Sub 101

Between

Duke Energy Carolinas, LLC

And

Project Name, LLC

“Project Name”

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Appendix 1 – Glossary of Terms

Appendix 2 – Description and Costs of the Generating Facility, Interconnection Facilities, and Metering Equipment

Appendix 3 – One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Appendix 4 – Milestones

Appendix 5 – Additional Operating Requirements for the Utility's System and Affected Systems Needed to Support the Interconnection Customer's Needs

Appendix 6 – Utility's Description of its Upgrades and Best Estimate of Upgrade Costs

This Interconnection Agreement ("Agreement") is made and entered into this the _____ Day of _____, 2025, by Duke Energy Carolinas, LLC ("Utility") and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Utility Information

Utility: Duke Energy Carolinas, LLC

Attention: Interconnection

Address: 525 South Tryon Street, Mail Code DEP-20B

City: Charlotte State: NC Zip: 28202

Phone: N/A

Fax: N/A

Interconnection Customer Information

Name:

Project Name:

Attention:

Address:

City: State: Zip:

Phone: Fax: N/A

Site Location

E911 Address:

County:

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Interconnection Requests submitted under the North Carolina Interconnection Procedures except for those submitted under the 20 kW Inverter Process in Section 2 of the Interconnection Procedures.

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Facility will interconnect with, and operate in parallel with, the Utility's System.

1.3 No Agreement to Purchase or Deliver Power or RECs

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power or Renewable Energy Certificates (RECs). The purchase or delivery of power, RECs that might result from the operation of the Generating Facility, and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Utility.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between the Utility and the Interconnection Customer.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Utility shall construct, operate, and maintain its System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriters' Laboratories, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the System or equipment of the Utility and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Appendices to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Utility and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Utility's System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Appendices to this Agreement.
- 1.5.6 The Utility shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Customer shall not operate the Generating Facility in such a way that the Generating Facility would exceed the Maximum Generating Capacity.

1.6 Parallel Operation Obligations

Once the Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable control area, including, but not limited to: 1) any rules and procedures concerning the operation of generation set forth in Commission-approved tariffs or by the applicable system operator(s) for the Utility's System and; 2) the Operating Requirements set forth in Appendix 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Utility's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Appendices 2 and 3 of this Agreement. The Interconnection

Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Utility has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 The Utility is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when the Utility requests the Interconnection Customer to operate its Generating Facility outside the range specified in Article 1.8.1 or outside the range established by the Utility that applies to all similarly situated generators in the control area. In addition, if the Utility pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Utility's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of any prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.9 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 of the North Carolina Interconnection Procedures or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Utility of such activities no fewer than ten (10) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall

occur on a Business Day, unless otherwise agreed to by the Parties. The Utility may, at its own expense, send qualified personnel to the Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Utility a written test report when such testing and inspection is completed.

2.1.2 The Utility shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Utility of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generating Facility.

2.1.3 In addition to the Utility's observation of the Interconnection Customer's testing and inspection of its Generating Facility and Interconnection Facilities pursuant to this Section, the Utility may also require inspection and testing of Interconnection Facilities that can impact the integrity or safety of the Utility's System or otherwise cause adverse operating effects, as described in Section 3.4.4. Such inspection and testing activities will be performed by the Utility or a third-party independent contractor approved by the Utility and at a time mutually agreed to by the Interconnection Customer and will be performed at the Interconnection Customer's expense. The scope of required inspection and testing will be consistent across similar types of generating facilities.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Utility shall use Reasonable Efforts to list applicable parallel operation requirements in Appendix 5 of this Agreement. Additionally, the Utility shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Utility shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Generating Facility in parallel with the Utility's System without prior written authorization of the Utility. The Utility will provide such authorization once the Utility receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Utility may send a qualified person to the premises of the Interconnection Customer at or before the time the Generating Facility first produces energy to inspect the interconnection and those Interconnection Customer facilities which can impact the integrity or safety of the Utility's System or otherwise cause adverse operating effects, as described in Section 3.4.4, and observe the commissioning of the Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Utility at least five (5) Business Days prior to conducting any on-site verification testing of the Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Utility shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
- 2.3.3 Each Party shall be responsible for its own costs associated with following this Article, with the exception of Utility-required inspection and testing described in Section 2.1.3, the costs for which shall be the responsibility of the Interconnection Customer.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

- 3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Utility 20 Business Days written notice and physically and

permanently disconnecting the Generating Facility from the Utility's System.

- 3.3.2 The Utility may terminate this Agreement upon the Interconnection Customer's failure to timely make the payment(s) required by Article 6.1.1 pursuant to the milestones specified in Appendix 4, or to comply with the requirements of Article 7.1.2 or Article 7.1.3.
- 3.3.3 Either Party may terminate this Agreement after Default pursuant to Article 7.6.
- 3.3.4 Upon termination of this Agreement, the Generating Facility will be disconnected from the Utility's System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.
- 3.3.5 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination, including any remaining term requirements for payment of Charges that are billed under a monthly payment option as prescribed in Article 6.
- 3.3.6 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Utility, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Utility's System, the Utility's Interconnection Facilities or the systems of others to which the Utility's System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a nondiscriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or the Interconnection Customer's Interconnection Facilities.

Under Emergency Conditions, the Utility may immediately suspend interconnection service and temporarily disconnect the Generating

Facility. The Utility shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Facility. The Interconnection Customer shall notify the Utility promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Utility's System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Utility may interrupt interconnection service or curtail the output of the Generating Facility and temporarily disconnect the Generating Facility from the Utility's System when necessary for routine maintenance, construction, and repairs on the Utility's System. The Utility shall provide the Interconnection Customer with two (2) Business Days notice prior to such interruption. The Utility shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Utility may suspend interconnection service to effect immediate repairs on the Utility's System. The Utility shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Utility shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Utility shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same electric System, or if operating the Generating Facility could cause damage to the Utility's System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Utility may disconnect the Generating Facility. The Utility shall provide the Interconnection Customer with five (5) Business Day notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Generating Facility

The Interconnection Customer must receive written authorization from the Utility before making a Material Modification or any other change to the Generating Facility that may have a material impact on the safety or reliability of the Utility's System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Utility's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Utility's System to their normal operating state as soon as reasonably practicable following a temporary or emergency disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Appendix 2 of this Agreement. The Utility shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Utility.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Utility's Interconnection Facilities.

4.2 Distribution Upgrades

The Utility shall design, procure, construct, install, and own the Distribution Upgrades described in Appendix 6 of this Agreement. If the Utility and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, on-going operations, maintenance, repair, and replacement, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Utility shall design, procure, construct, install, and own the Network Upgrades described in Appendix 6 of this Agreement. If the Utility and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Utility elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, on-going operations, maintenance, repair, and replacement shall be borne by the Interconnection Customer.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Interconnection Customer shall pay 100% of required Interconnection Facilities and any other charges as required in Appendix 2 pursuant to the milestones specified in Appendix 4.

The Interconnection Customer shall pay 100% of required Upgrades and any other charges as required in Appendix 6 pursuant to the milestones specified in Appendix 4.

Upon receipt of 100% of the foregoing pre-payment charges for Upgrades, the payment is not refundable due to cancellation of the Interconnection Request for any reason. However, if an Interconnection Customer terminates its Interconnection Agreement and cancels its facility, it shall be entitled to a refund of any unspent amounts that had been collected by the Utility for the Interconnection Customer's Interconnection Facilities.

6.1.2 If implemented by the Utility or requested by the Interconnection Customer in writing within 15 Business Days of the Interconnection Facilities Delivery Date, the Utility shall provide the Interconnection Customer a final accounting report within 120 Business Days addressing any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Utility for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Utility shall invoice the Interconnection Customer for the amount due and the

Interconnection Customer shall make payment to the Utility within 20 Business Days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Utility shall refund to the Interconnection Customer an amount equal to the difference within 20 Business Days of the final accounting report. If necessary and appropriate as a result of the final accounting, the Utility may also adjust the monthly charges set forth in Appendix 2 of the Interconnection Agreement.

- 6.1.3 The Utility shall also bill the Interconnection Customer for the costs associated with operating, maintaining, repairing and replacing the Utility's System Upgrades, as set forth in Appendix 6 of this Agreement. The Utility shall bill the Interconnection Customer for the costs of providing the Utility's Interconnection Facilities including the costs for ongoing operations, maintenance, repair and replacement of the Utility's Interconnection Facilities under a Utility rate schedule, tariff, rider or service regulation providing for extra facilities or additional facilities charges, as set forth in Appendix 2 of this Agreement, such monthly charges to continue throughout the entire life of the interconnection.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Appendix 4 of this Agreement. A Party's obligations under this provision may be extended by agreement, except for timing for Payment or Financial Security-related requirements set forth in the milestones, which shall adhere to Section 5.2.4 of the Standards. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Appendix 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) the delay will materially affect the schedule of another Interconnection Customer with subordinate Queue Position, (3) attainment of the same milestone has previously been delayed, or (4) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

Pursuant to the Interconnection Agreement Milestones Appendix 4, the Interconnection Customer shall provide the Utility a letter of credit or other financial security arrangement that is reasonably acceptable to the Utility and is consistent with the Uniform Commercial Code of North Carolina. Such security for payment shall be in an amount sufficient to cover the costs for constructing,

designing, procuring, and installing the applicable portion of the Utility's Interconnection Facilities and shall be reduced on a dollar-for-dollar basis for payments made to the Utility under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Utility, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.2 The letter of credit must be issued by a financial institution or insurer reasonably acceptable to the Utility and must specify a reasonable expiration date.
- 6.3.3 The Utility may waive the security requirements if its credit policies show that the financial risks involved are *de minimus*, or if the Utility's policies allow the acceptance of an alternative showing of credit-worthiness from the Interconnection Customer.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

- 7.1.1 The Interconnection Customer shall notify the Utility of the pending sale of an existing Generating Facility in writing. The Interconnection Customer shall provide the Utility with information regarding whether the sale is a change of ownership of the Generating Facility to a new legal entity, or a change of control of the existing legal entity.
- 7.1.2 The Interconnection Customer shall promptly notify the Utility of the final date of sale and transfer date of ownership in writing. The purchaser of the Generating Facility shall confirm to the Utility the final date of sale and transfer date of ownership in writing.
- 7.1.3 This Agreement shall not survive the transfer of ownership of the Generating Facility to a new legal entity owner. The new owner must complete a new Interconnection Request and submit it to the Utility within 20 Business Days of the transfer of ownership or the Utility's Interconnection Facilities shall be removed or disabled and the Generating Facility disconnected from the Utility's System. The Utility shall not study or inspect the Generating Facility unless the new owner's Interconnection Request indicates that a Material Modification has occurred or is proposed.
- 7.1.4 This Agreement shall survive a change of control of the Generating Facility' legal entity owner, where only the contact information in the Interconnection Agreement must be modified. The new owner must complete a new Interconnection Request and submit it to the Utility.

within 20 Business Days of the change of control and provide the new contact information. The Utility shall not study or inspect the Generating Facility unless the new owner's Interconnection Request indicates that a Material Modification has occurred or is proposed.

7.1.5 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Utility, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will promptly notify the Utility of any such assignment. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof.

7.1.6 Any attempted assignment that violates this article is void and ineffective.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, incidental, consequential, or punitive damages of any kind, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inaction of its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified Party is entitled to indemnification under this Article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this Article, the amount owing to the indemnified Party shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the

Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money or provision of Financial Security) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2, the defaulting Party shall have five (5) Business Days from receipt of the Default notice within which to cure such Default.

7.6.2 If a Default is not cured as provided in this Article, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 The Interconnection Customer shall obtain and retain, for as long as the Generating Facility is interconnected with the Utility's System, liability insurance which protects the Interconnection Customer from claims for bodily injury and/or property damage. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. This insurance shall be primary for all purposes. The Interconnection Customer shall provide certificates evidencing this coverage as required by the Utility. Such insurance shall be obtained from an insurance provider authorized to do business in North Carolina. The Utility reserves the right to refuse to establish or continue the interconnection of the Generating Facility with the Utility's System, if such insurance is not in effect.

8.1.1 For an Interconnection Customer that is a residential customer of the Utility proposing to interconnect a Generating Facility no larger than 250 kW, the required coverage shall be a standard homeowner's insurance policy with liability coverage in the amount of at least \$100,000 per occurrence.

8.1.2 For an Interconnection Customer that is a non-residential customer of the Utility proposing to interconnect a Generating Facility no larger than 250

kW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$300,000 per occurrence.

8.1.3 For an Interconnection Customer that is a non-residential customer of the Utility proposing to interconnect a Generating Facility greater than 250 kW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$1,000,000 per occurrence.

8.1.4 An Interconnection Customer of sufficient credit-worthiness may propose to provide this insurance via a self-insurance program if it has a self-insurance program established in accordance with commercially acceptable risk management practices, and such a proposal shall not be unreasonably rejected.

8.2 The Utility agrees to maintain general liability insurance or self-insurance consistent with the Utility's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Utility's liabilities undertaken pursuant to this Agreement.

8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

9.2.3 All information pertaining to a project will be provided to the new owner in the case of a change of control of the existing legal entity or a change of ownership to a new legal entity.

9.3 If information is requested by the Commission from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the Commission within the time provided for in the request for information. In providing the information to the Commission, the Party may request that the information be treated as confidential and non-public in accordance with North Carolina law and that the information be withheld from public disclosure.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this Article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written notice of dispute. Such notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within 20 Business Days after receipt of the notice, either Party may contact the Public Staff for assistance in informally resolving the dispute, or the Parties may mutually agree to continue negotiations for up to an additional 20 Business Days. In the alternative, the Parties may, upon mutual agreement, seek the assistance of a dispute resolution service to resolve the dispute within 20 Business Days, with the opportunity to extend this timeline upon mutual agreement. If the Parties are unable to informally resolve the dispute, either Party may then file a formal complaint with the Commission.

10.4 Each Party agrees to conduct all negotiations in good faith.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with North Carolina and federal policy and revenue requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Utility's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of North Carolina, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under Article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Utility. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Appendices, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which

constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Utility be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Utility shall have the right to make a unilateral filing with the Commission to modify this Agreement with respect to any rates, terms and conditions, charges, or classifications of service, and the Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this Agreement; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before the Commission in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement (Notice) shall be deemed properly given if delivered in person, delivered by recognized national courier service, sent by first class mail, postage prepaid, or sent electronically to the person specified below:

If to the Interconnection Customer:

Interconnection Customer:

Attention:

Address:

City: State: Zip:

E-Mail Address:

Phone: N/A Fax: N/A

If to the Utility:

Utility: Duke Energy Carolinas, LLC

Attention: Interconnection – Mail Code DEP-20B

Address: 525 South Tryon Street

City: Charlotte State: NC Zip: 28202

E-Mail Address: IA@duke-energy.com

Phone: N/A Fax: N/A

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below: If to the Interconnection Customer:

Interconnection Customer:

Attention:

Address:

City: State: Zip:

E-Mail Address:

If to the Utility:

Utility: Duke Energy Carolinas, LLC

Attention: Central Remittance

Address: P.O. Box 602874

City: Charlotte State: NC Zip: 28260-2874

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer:

Attention:

Address:

City: State: Zip:

Phone: Fax: N/A

E-Mail Address:

If to the Utility:

Utility: Duke Energy Carolinas, LLC

Attention: Interconnection – Mail Code DEP-20B

Address: 525 South Tryon Street

City: Charlotte State: NC Zip: 28202

Phone: N/A Fax: N/A

E-Mail Address: IA@duke-energy.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer:

Attention:

Address:

City: State: Zip:

Phone: Fax: N/A

E-Mail Address:

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Glossary of Terms

See Glossary of Terms, Attachment 1 to the North Carolina Interconnection
Procedures

**Description and Costs of the Generating
Facility, Interconnection Facilities, and Metering
Equipment**

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, or the Utility. The Utility will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Project:

Queue Number:

Project Address:

County:

Maximum Physical Export Capability Approved:

_____ is a solar photovoltaic farm that is a Qualifying Facility as defined by the Federal Energy Regulatory Commission ("FERC") pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978.

1. Capacity Commitment

The **Contract Capacity**_{with capacitor bank} of _____ **kW_{AC}** is the capacity commitment of the Company's System with the _____ MVAR capacitor bank installed and in service and shall be the maximum kW delivered to the Company's System at the Point of Interconnection.

The maximum allowed capacitor bank size, installed for the purpose of compensating for losses at the _____ facility, but not for providing reactive power to the Company's System, is _____ MVAR connected to the low-side of the generator step-up transformer. The _____ facility must continually demonstrate the plant controller's capability to coordinate the capacitor bank switching and inverter output to provide a continuous reactive power output at the Point of Interconnection.

Pursuant to the Facility Connection Requirements, with the _____ MVAR capacitor bank installed and in service, the facility shall be operated in such a manner as to maintain the capability to deliver _____ MVARs and receive _____ MVARs continuously at the Point of Interconnection over the full range of real power output, subject to plant equipment voltage limits. The MVAR requirement is based on the 0.93 lagging and 0.97 leading power factor requirement for _____ kW_{AC} output at the Point of Interconnection.

The **Contract Capacity**_{without capacitor bank}, of _____ **kW_{AC}** is the capacity commitment of the Company's System, if a capacitor bank is not installed or is not in service, and shall be the maximum kW delivered to the Company's System at the Point of Interconnection during said time period.

Pursuant to the Facility Connection Requirements, if the capacitor bank is not installed or is not in service, the facility shall be operated in such a manner as to maintain the

capability to deliver ____ MVARs and receive ____ MVARs continuously at the Point of Interconnection over the full range of real power output, subject to plant equipment voltage limits. The MVAR requirement is based on the 0.93 lagging and 0.97 leading power factor requirement for _____ kW_{AC} output at the Point of Interconnection.

2. Customer Facilities

Customer shall furnish, install, own, and maintain their own Facilities in accordance with the approved equipment supplied to the Utility. Any changes from or substitutions to the approved equipment must be submitted in writing to the Utility to be reviewed and approved.

3. Company Facilities

The Company shall furnish, install, own and maintain **Interconnection Facilities** to permit parallel operation of the Customer's Interconnection Facilities with the Company's Transmission System as specified in the appended Facilities Study Report with the initial file name "_____" ("**Facilities Study Report**") or subsequent amendments.

The Point of Interconnection (POI) and Delivery Point are specified in the appended Facilities Study Report or subsequent amendments.

The estimated cost for the Interconnection Facilities is \$_____ but Interconnection Customer shall be responsible for the actual cost of the Interconnection Facilities in accordance with the Interconnection Facilities Charge selected below.

4. Contingencies

The Company's obligation to provide Interconnection Facilities is contingent on the Customer utilizing the equipment specified in this Agreement, including that equipment specified in Section 2 above. Changes to such equipment may impact the scope, cost and timelines in the Agreement. Changes in the Customer's equipment or design shall be evaluated under the provisions for Modifications in the North Carolina Interconnection Procedures.

Providing Interconnection Facilities for the Customer is contingent on the prior installation of any Network Upgrades for any other generating facility, a load customer or Company system improvement project.

If adverse conditions are encountered on the project that result in additional expense to the Company to provide Interconnection Facilities, Customer shall be charged for such additional expenses or, if the Customer has control over the condition, the Customer may elect to mitigate the adverse conditions. Examples of such adverse conditions include: 1) encountering land having a composition such that standard construction equipment, materials, or methods cannot be used to install the Company's facilities, 2) encountering special requirements, fees, or permits of any municipality, or State/Federal agency or department, or 3) encountering and mitigating environmental requirements,

etc.

Providing Interconnection Facilities is contingent on the Customer providing roads, acceptable to the Company, for the purpose of accessing the Company's facilities on the Customer's project site and accessing the Company's off-site facilities as required by the Company.

5. Interconnection Facilities Charge

The Interconnection Facilities charge is determined in accordance with the Extra Facilities Provisions of the Company's Service Regulations, pursuant to which the Interconnection Customer shall select one of two financial arrangement options, "Monthly Charge" or "Total Prepayment", as described below. The Interconnection Customer shall indicate its selection below and such selection shall be binding. All terms and factors shown below are subject to change by order of the North Carolina Utilities' Commission.

Interconnection Facilities Charge Option 1 – Monthly Charge

Monthly Charge Accepted / Declined

Initialed:

Duke Energy Carolinas, LLC

The **Monthly Charge** for the Interconnection Facilities is estimated to be \$_____, which is determined by applying the 1.0% multiplier to the estimated Interconnection Facilities cost of \$_____. However, the final Monthly Charge shall be calculated based on the actual cost of the Interconnection Facilities and the Interconnection Customer shall be required to execute an amended Agreement to reflect the actual cost of the Interconnection Facilities and the resulting final Monthly Charge.

Applicable state sales tax as mandated by the State of North Carolina will be applied to the Monthly Charge. On the date of the drafting of this Agreement, the rate is 7%. If the Interconnection Customer qualifies for a lower state sales tax rate, the Interconnection Customer must furnish a state-issued Tax Form and specify the rate they qualify for.

The estimated Monthly Charge for the Interconnection Facilities to be paid by the Customer is shown in the following table. For the avoidance of doubt, the final Monthly Charge is subject to adjustment based on the actual cost of the Interconnection Facilities.

Estimated Monthly Charge Summary

Description	Amount
Estimated Cost of Interconnection Facilities	\$
Multiplier of 1.0%	
Subtotal	\$
NC Sales Tax (7%)	\$
Monthly Charge (in perpetuity)	\$

Interconnection Facilities Charge Option 2 – Total Prepayment

Total Prepayment _____ Accepted / Declined _____

Initialed: _____

_____ Duke Energy Carolinas, LLC

The **Total Prepayment Charge** for the Interconnection Facilities is estimated to be \$_____, which is determined by applying a 163% multiplier, to the estimated Interconnection Facilities cost of \$_____. However, the final Total Prepayment Charge shall be calculated based on the actual cost of the Interconnection Facilities and the Interconnection Customer shall be required to execute an amended Agreement to reflect the actual cost of the Interconnection Facilities and the resulting final Total Prepayment Charge and pay such additional amount as further described in Section 10 of this Appendix 2.

Applicable state sales tax as mandated by the State of North Carolina will be applied to the Total Prepayment Charge. On the date of the drafting of this Agreement, the rate is 7%. If the Interconnection Customer qualifies for a lower state sales tax rate, the Interconnection Customer must furnish a state-issued Tax Form and specify the rate they qualify for.

The Total Prepayment Charge for the Interconnection Facilities will be reevaluated following the 34 Year Term.

The estimated Total Prepayment Charge for the Interconnection Facilities to be paid by the Customer is shown in the following table. For the avoidance of doubt, the final Total Prepayment Charge is subject to adjustment based on the actual cost of the Interconnection Facilities.

Estimated Total Prepayment Option Summary
--

Description	Amount
Estimated Cost of Interconnection Facilities	\$
Multiplier of 163.0%	
Subtotal	\$
NC Sales Tax (7%)	\$
Total Prepayment Charge	\$

6. Administrative Overhead and Commissioning Costs

The up-front Administrative Overhead and Commissioning Cost is **\$190,000**.

Applicable state sales tax as mandated by the State of North Carolina will be applied to the Administrative Overhead Charge. On the date of the drafting of this Agreement, the rate is 7%. If the Interconnection Customer qualifies for a lower state sales tax rate, the Interconnection Customer must furnish a state-issued Tax Form and specify the rate they qualify for. The following table summarizes the Administrative Overhead Charge.

Administrative Overhead Charge	
Description	Amount
Administrative Overhead Cost	\$20,000
IBR Commissioning Cost	\$170,000
Sales Tax (7%)	\$ 13,300
Administrative Overhead Charge	\$203,300

The Administrative Overhead and Commissioning Costs must be received by close of business forty-five (45) Business Days after the date the Interconnection Agreement is delivered to the Interconnection Customer for signature, where failure to comply results in the Interconnection Request being deemed withdrawn.

7. Financial Security and Milestone Payment Requirements

There are three Financial Security and Milestone Payment plans offered by Company for Interconnection Facilities as summarized below. All three Payment Plans are available for Interconnection Customers selecting the Interconnection Facilities Charge Option 1 – Monthly Charge described above in Section 5 of this Appendix 2. Only Payment Plans No. 1 and No. 2 are available for Interconnection Customers selecting Interconnection Facilities Charge Option 2 – Total Prepayment described above. The Interconnection Customer shall indicate its selection below and such selection shall be binding. All terms and factors shown below are subject to change by order of the North

Carolina Utilities' Commission.

If applicable, Interconnection Customer shall provide Company with financial security (the "Financial Security") in the amount and by the date specified in the Milestone table below, where failure to comply results in the Interconnection Request being deemed withdrawn and the Agreement terminated. Acceptable forms of Financial Security include: (i) cash denominated in U.S. dollars transferred to Company in immediately available funds by wire transfer in accordance with the wire transfer instructions in the form provided, (ii) a letter of credit, substantially in the form provided, with only such changes as the issuing bank may reasonably require and as may be acceptable to Company in its sole discretion, issued by a U.S. commercial bank or the U.S. branch of a foreign bank with total assets of at least \$5 billion dollars having a general long-term senior unsecured debt rating of A- or higher from Standard & Poor's Ratings Services, Inc. or any successor-rating agency thereto, or A3 or higher from Moody's Investors Service, Inc. or any successor-rating agency thereto (the "Letter of Credit"), (iii) a surety bond, substantially in the form provided issued by a surety that is rated A.M. Best "A-VII" or higher.

Payment Plan 1

Payment Plan 1

Accepted / Declined

Initialed:

Duke Energy Carolinas, LLC

Under Payment Plan 1, milestone payments shall be made and Financial Security posted as specified in the following table. All percentages are in relation to the estimated cost of the Interconnection Facilities.

Interconnection Facilities Milestone Payment Plan 1			
Payment Milestone	Payment Milestone Date	Milestone Payment Amount	Payment Covers
1	Within 45 Business Days ("BD") of IA being provided.	10% Cash and 40% Financial Security	Start engineering and environmental requirements
2	20 BD after Financial Security provided or 480 BD (24 months) before estimated In-service Date ("ISD") whichever is later	10% Cash	Continuance of engineering and environmental requirements
3	60 BD after Financial Security	40% Cash	Complete engineering and

	provided or 440 BD (22 months) before estimated ISD whichever is later		environmental requirements and procurement of long lead time material
4	140 BD after Financial Security provided or 360 BD (18 months) before estimated ISD whichever is later	20% Cash	Further procurement and construction
5	240 BD after Financial Security provided or 260 BD (13 months) before estimated ISD whichever is later	20% Cash	Final construction

Payment Plan 2

Payment Plan 2

Accepted / Declined

Initialed:

Duke Energy Carolinas, LLC

Under Payment Plan 2, milestone payments shall be made as specified in the following table. All percentages are in relation to the estimated cost of the Interconnection Facilities.

Interconnection Facilities Milestone Payment Plan 2			
Payment Milestone	Payment Milestone Date	Milestone Payment Amount	Payment Covers
1	Within 45 Business Days ("BD") of IA being provided.	20% Cash	Start engineering and environmental requirements
2	430 BD (21.5 months) before estimated In-service date ("ISD")	20% Cash	Continuance of engineering and environmental requirements
3	380 BD (19 months) before estimated ISD	20% Cash	Complete engineering and environmental requirements and procurement of long lead time material
4	330 BD (16.5 months) before estimated ISD	20% Cash	Further procurement and construction

5	260 BD (13 months) before estimated ISD	20% Cash	Final construction
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Payment Plan 3

Payment Plan 3

Accepted / Declined

Initialed:

_____ Duke Energy Carolinas, LLC

Under Payment Plan 3, which is only available to Interconnection Customers selecting Interconnection Facilities Charge Option 1 – Monthly Charge, payment shall be made or Financial Security posted as specified in the following table. The percentage is in relation to the estimated cost of the Interconnection Facilities.

Interconnection Facilities Milestone Payment Plan 3			
Payment Milestone	Timing	Milestone Payment Amount	Payment Covers
1	Within 45 Business Days ("BD") of IA being provided.	100% Cash, Surety Bond or Letter of Credit	Entire construction process

8. Invoicing

If an Interconnection Customer selects Payment Plan 1 or 2, Interconnection Customer shall be obligated to make the milestone payments specified in the applicable table in accordance with the applicable schedule regardless of whether the Company provides an invoice for such amounts or not. Failure to make any required payment by the specified Payment Milestone Date shall constitute a Default.

9. Financial Security Timing

Where Financial Security is required, the Financial Security shall be held by the Company and shall be maintained by the Interconnection Customer in force and effect until thirty (30) days after the earlier of: (i) the Commercial Operation Date is achieved; or (ii) the effective date of the early termination of the Interconnection Agreement and the disconnection of the Generating Facility from the Utility's System (the "Security Period") in accordance with the terms of this Agreement. The **Commercial Operation Date** is the date provided to the Company in writing that the Generating Facility has 1) completed construction, testing, and is fully operational for the purpose of generating

and delivering energy at the Contract Capacity, 2) has successfully completed interconnection, 3) has obtained all permits and approvals, and 4) has met all requirements necessary to generate at the Contract Capacity.

If at any time any Financial Security fails to meet any of the requirements under this Agreement, Interconnection Customer shall replace such Financial Security with alternative Financial Security that meets the requirements under this Agreement. Interconnection Customer will be solely responsible for any and all costs incurred with providing and maintaining any Financial Security to the full amount required by this Agreement. If Interconnection Customer fails to replace, renew, or otherwise maintain the required Financial Security as and when required by this Agreement, then Company: (a) shall be entitled to draw and retain hereunder the full amount of the Financial Security; and (b) shall be entitled to give Interconnection Customer notice of an event of Default and pursue the termination rights and remedies provided for in this Agreement. To secure its obligations and liabilities under this Agreement to Company, Interconnection Customer hereby grants to Company a present and continuing first priority security interest in, and lien on (and right of netting and set-off against), and assignment of, all present and future Financial Security, including, without limitation, cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, Company; and, furthermore Interconnection Customer agrees to take such actions as Company reasonably requires to perfect Company's first-priority security interest in, and lien on (and right of netting, recoupment, and set-off against), such Financial Security and any and all products and proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence of an event of Default by Interconnection Customer or upon an early termination of this Agreement, Company may do any one or more of the following: (i) exercise any of the rights and remedies of a secured party with respect to all Financial Security, including any such rights and remedies under law then in effect; (ii) exercise its rights of netting, recoupment, and set-off against any and all Financial Security in the possession of Company or its agent; (iii) draw on any outstanding applicable forms of Financial Security provided for the benefit of Company; and, (iv) liquidate all Financial Security then held by or for the benefit of Company free from any claim or right of any nature whatsoever of Interconnection Customer, including any equity or right of purchase or redemption by Interconnection Customer. Company shall apply the proceeds of the Financial Security upon the exercise of its rights or remedies in the manner Company determines in its sole discretion.

10. Post Completion of Interconnection Facilities

In the case of Interconnection Customers that selected the **Total Prepayment Option**, the Interconnection Customer will, upon completion of the Interconnection Facilities, be obligated to pay the amount by which the Final Prepayment Charge exceeds the payments made by the Interconnection Customer pursuant to the selected Payment Plant. The following table provides an estimate of the payment that would be due based on the estimated cost of the Interconnection Facilities.

Total Prepayment Option	
Description	Amount
Total Prepayment Charge	\$
Total Payment Plan Covered During Construction	\$
Total Amount Due at In Service Date	\$

In the case of Interconnection Customers that selected the Monthly Charge Option, the Interconnection Customer will be refunded all amounts paid pursuant to the applicable Payment Plan and will be billed the Monthly Charge as described in Section 5 of this Appendix 2. Billing of the Monthly Charge shall begin on the Interconnection Facilities Delivery Date provided however said billing shall not begin earlier than the Requested Upgrade In-Service Date and the Requested Interconnection Facilities In-Service Date, provided in Appendix 4, Milestones, unless the Company delivers energy to the Generating Facility. The Customer's obligation to pay the Monthly Charge shall continue throughout the term of this Interconnection Agreement (including any renewal thereof) and shall be subject to the early termination provisions.

With respect to any Financial Security remaining in possession of Company at the end of the Security Period, and provided that Interconnection Customer is not in default of its obligations hereunder Company shall, within ten (10) Business Days after the end of the Security Period: (i) return to Interconnection Customer any cash held by Company as Financial Security (including proceeds thereof) without interest, minus any amounts set off against amounts owed to Company by interconnection Customer under this Agreement; and/or (ii) cancel any undrawn Letter of Credit provided by Interconnection Customer by notifying the issuing bank that the Letter of Credit is no longer required and returning the Letter of Credit upon request of the issuing bank.

11. Early Termination

If the Customer that has selected the Monthly Charge option under Section 5 of this Appendix 2 requests termination of this Interconnection Agreement before the fulfillment of the initial 120 payments of the Monthly Charge and another legal entity does not assume financial responsibility for the stated Monthly Charge by the date of the termination, the Customer shall pay the Company the lesser of 1) the Monthly Charge multiplied by 120 payments less the monthly payments rendered during the initial 120 month term of the Interconnection Agreement or 2) the estimated cost of Loss Due to Early Retirement of the Interconnection Facilities.

Loss Due to Early Retirement shall be calculated as the installed cost of facilities, including the cost for engineering design work that the Company has not been reimbursed for by the Interconnection Customer, less accumulated depreciation, less any salvage value, plus removal cost, provided; however, this amount shall not be less

than zero. Applicable state sales tax will be added.

NC Interconnection Agreement

**One-line Diagram Depicting the Generating Facility,
Interconnection Facilities, Metering Equipment, and
Upgrades**

This agreement will incorporate by reference the one-line diagram submitted by the Customer on _____, dated _____, with file name "_____" as part of the Interconnection Request, or as subsequently updated and provided to the Company.

Milestones

Requested Upgrade In-Service Date: _____

Requested Interconnection Facilities In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

The build-out schedule does not include contingencies for deployment of Utility personnel to assist in outage restoration efforts on the Utility's System or the systems of other utilities with whom the Utility has a mutual assistance agreement. Consequently, the Requested In-Service Date may be delayed to the extent outage restoration work interrupts the design, procurement and construction of the requested facilities.

The Customer's failure to meet a milestone may result in extension by the Company of the Requested Upgrade In-Service Date and/or Requested Interconnection Facilities In-Service Date. The extension of the In-Service Dates may exceed the Customer's related delay in meeting a milestone completion date.

Milestone Number	Milestone	Completion Date (COB)	Responsible Party
1	Executable Interconnection Agreement (IA) delivered to Customer	1/1/2022	Company
2	Signed IA returned to Company	1/18/2022	Customer
3	Final date Financial Security, Network Upgrade and Estimated Administrative Overhead Charges paid to Company or provisions acceptable to Company finalized and implemented to avoid project being deemed withdrawn	3/8/2022	Customer
4	30% Site Plan with customer pad XYZ coordinates/ fence corner coordinates and soil boring results provided to Company for review.	3/8/2022	Customer
5	E-911 Address Provided by the Customer	3/8/2022	Customer
6	Project Kickoff Meeting with Customer	3/29/2022	Company & Customer

7	90% Final civil plans for Company's substation site, substation access roads, permits, and access to relevant towers and poles submitted by Customer	5/4/2022	Customer
8	Final civil plans for Company's substation site, substation access roads, and access to relevant towers and poles approved by Company	5/25/2022	Customer
9	Customer Power Plant Controller/Inverter final design	6/23/2022	Customer
10	IBR Plant Capability & Performance Requirements Review (CPR)	7/8/2022	Company & Customer
11	Final civil plans for Company's substation site, substation access roads, and access to relevant towers and poles obtained from the appropriate governmental agencies. Permits in hand.	9/2/2022	Customer
12	Company's substation pad, access roads, and ROW built and cleared by Customer(specifications provided by Company). As-built surveys (provided by a licensed surveyor) and substation pad geotechnical tests/reports (provided by a 3rd party testing firm) completed by Customer and accepted by the Company. Soil resistivity data submitted, data shall be in compliance with Company specifications and guidelines	11/15/2022	Customer
13	Company engineering complete	11/15/2022	Company
14	All required substation pad, on-site and off-site easements executed, recorded and delivered to Company	1/4/2023	Customer
15	Company Pre-Construction Meeting	1/19/2023	Company

Commented [VS1]: Need to check with customer during the construction and kickoff meeting about their readiness before IA/LGIA gets signed

16	Provisions for temporary construction power provided and available for Company use.	1/26/2023	Customer
17	Customer Substation Complete	9/6/2023	Customer
18	Company's substation and tap line construction complete	9/6/2023	Company
19	Construction Walkdown Verification documentation submitted to Company	9/20/2023	Customer
20	Telecommunication Scheme and Company Side Protection (DTT) Scheme fully commissioned and in-service	9/20/2023	Company & Customer
21	Interconnection Facilities and System Upgrades In-Service Date As Defined by the Interconnection Procedures (NISD)	9/27/2023	Company
22	Construction Walkdown Verification	11/1/2023	Company & Customer
23	Phase 1 SCADA validation - Customer switchyard related points between Customer and Company	11/16/2023	Company & Customer
24	Customer's substation energized (Backfeed Date) Final electrical approval for Customer's entire generating facility from appropriate jurisdictional inspection authority has been granted	11/27/2023	Company & Customer
25	Phase 2 SCADA validation of points list between Customer and Company	12/4/2023	Company & Customer
26	"Permission to Commission" Letter (For generating at reduced power for the sole purpose of commissioning. Contingent on fulfilling all requirements for interconnection and operation at reduced output)	12/4/2023	Company
27	Customer's generating facility energized and begins generation at reduced power for	12/4/2023	Customer

	Commissioning purposes		
28	Customer completes commissioning of Generating Facility	12/11/2023	Customer
29	Phase 3 SCADA validation of points list between Customer and Company	12/11/2023	Company & Customer
30	Begin Company Verification and Commissioning Test	12/11/2023	Company & Customer
31	Completion of settings review verification and IBR Plant commissioning tests	12/18/2023	Company & Customer
32	"Conditional Permission to Operate" Letter issued to Customer (contingent on fulfilling all requirements for interconnection and continuous operation at full output)	1/31/2023	Company
33	Customer declares Commercial Operation	TBD by Customer	Customer
34	As-Built Power System models, Plant documentation sent to Company	2/19/2024	Customer
35	Completion of any final action items from inspection or issues found in As-Built package	3/18/2024	Customer
36	"Permission to Operate" Letter issued to Customer	3/18/2024	Company

Agreed to for **Duke Energy Carolinas, LLC:**

Name: _____

Print Name: Scott A. Reynolds

Date: _____

Agreed to for _____:

Name: _____

Print Name: _____

Date: _____

**Additional Operating Requirements for the Utility's System and Affected Systems
Needed to Support the Interconnection Customer's Needs**

OBLIGATION OF THE COMPANY

The obligations of the Company in regard to service under this Interconnection Agreement are dependent upon its acquiring and retaining all necessary rights-of-way, privileges, franchises, and permits for such service and the Company shall not be liable to any Customer or applicant for power in the event it is delayed in, or is prevented from purchasing or delivering power by the failure to secure and retain such rights-of-way, rights, privileges, franchises and permits.

RIGHTS-OF-WAY AND EASEMENTS

Company is not obligated to install Interconnection Facilities or System Upgrades to receive electricity from Customer unless and until: (1) in cases where it is necessary to cross property to accept delivery of electricity from Customer, Customer conveys or causes to be conveyed to Company, without cost to Company, a right-of-way or easement, satisfactory to Company across such property which will provide for the construction, maintenance, and operation of Company's lines and facilities, necessary to receive electricity from Customer, and (2) any inspection certificates or permits that may be required by law in the local are furnished to Company.

PROCUREMENT

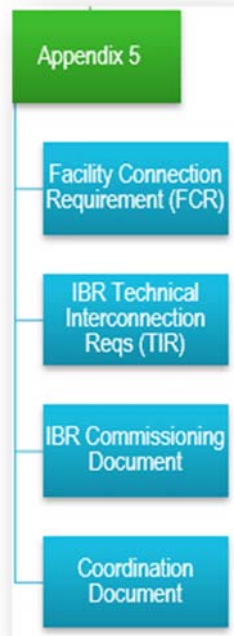
The initial delivery of electric power is dependent upon the Company securing from the manufacturers all necessary apparatus, equipment and material for the delivery of said power, and the Company shall not be required to receive said power until it shall have secured and installed such equipment, apparatus and material.

APPLICABLE RATE SCHEDULE

Service necessary for the delivery of the Customer's electricity into the Company's System under this agreement shall be furnished solely to the individual contracting Customer in a single enterprise, located entirely on a single, contiguous premise. Service hereunder shall be restricted to the Net Capacity of the Customer's Generating Facility which may be operated in parallel with the Company's System. Service necessary to supply the Customer's total load requirements other than Auxiliary Load, and service necessary to supply the Customer's Auxiliary Load when the Customer's Generating Facility is not operating, shall be billed on the applicable rate schedule(s) of the Company. Net Power delivered to the Company shall not offset or be substituted for power contracted for or which may be contracted for under any other schedule of the Company, except at the option of the Company under special terms and conditions expressed in writing in the contract with the Customer.

Transmission Connected IBR Plan requirements

Duke Energy Transmission requires customer to meet the following requirements as outline in below documents to ensure reliable interconnection of IBR plant to Transmission grid.



Facility Connection Requirements (FCR)

The Facility Connection Requirements (FCR) establish the minimum requirements for all facilities connecting to Duke Energy Carolinas, LLC transmission system. The FCR is subject to revision from time to time. The Interconnection Customer's facility shall remain in compliance with the most recently revised FCR in effect at any given time while the facility is in service.

Below is the document tree of the new IBR documents along with document #, there are three main documents (TIR, Coordination & Commissioning) along with appendices of commissioning document:

Transmission Connected IBR's Documents		
S.No	Document Title	Document #
1	Duke Energy IBR Technical Interconnection Requirements (TIR)	TECP-STD-TFP-00016
2	Duke Energy Transmission Connected Inverter-Based Resource Coordination Document	TECP-PRO-TRM-00009
3	Duke Energy Transmission Connected IBR Commissioning Document	TECP-STD-TFP-00017
3.1	Duke Energy IBR Interconnection Commissioning Checklist	TECF-PRO-TRM-00003
3.2	Duke Energy Transmission-Connected IBR SCADA Checkout Procedure	TECP-PRO-TRM-00010
3.3	Duke Energy Transmission-Connected IBR Plant Verification Process	TECP-PRO-TFP-00011
3.4	Transmission Interconnection Verification Required Documents	TECP-PRO-TFP-00012
3.5	Reactive Power Capability Verification Results Template	TECF-PRO-TFP-00004
3.6	Primary Frequency Response Verification Results Template	TECF-PRO-TFP-00005
3.7	Voltage and Reactive Power Control Verification Results template	TECF-PRO-TFP-00007
3.8	Post-Event Data Monitoring data Results template	TECF-PRO-TFP-00006
3.9	Duke Energy Transmission-Connected IBR Site As-Builts	TECP-PRO-TRM-00013

Below are the links of OASIS sites along with internal team site where these documents have been uploaded:

OASIS Site:

[OATI OASIS](#) (DEP)

[OATI OASIS](#) (DEC)

Duke Energy Transmission Connected Inverter Based Resources (IBR's) Technical Interconnection Requirements (TIR) (TECP-STD-TFP-00016 - Rev. 0)

The purpose of this document is to establish the technical (capability and performance) requirements for all Inverter based resources (IBR) facilities connecting to Duke Energy Carolinas, LLC's ("Duke Energy") transmission system. The location of the connection and its impacts on the transmission system or other interconnected Duke Energy systems determine the specific requirements. These technical requirements are designed to ensure

the safe operation and reliability of the Duke Energy Transmission System. These requirements will be adhered to for all connections, including those owned by Duke Energy.

Duke Energy Transmission Connected IBR Interconnection Commissioning Document (TECP-STD-TFP-00017 - Rev. 0)

This document provides an overview of the process, requirements, and timeline for commissioning of an IBR facility connecting to the Duke Energy Transmission system. This document reflects Duke Energy's currently effective requirements, but Duke Energy reserves the right to update, modify, or otherwise changes these requirements at any time.

Duke Energy IBR Plant Coordination Document (TECP-PRO-TRM-00009 - Rev. 0)

This coordination document is intended to aid with the implementation of best practices for reliable interconnection of Inverter-based resources (IBR) to the Duke Energy transmission system. The topics covered in this document have been identified in the Duke IBR Interconnection Technical Requirement, NERC Reliability Standards & Guidelines, NERC Event Reports, and the IEEE 2800 standard.

CONTROL AND PROTECTION DEVICES

The Customer shall be responsible for providing suitable control and protective devices on its equipment to assure no disturbance to other customers of the Company or to the Company itself, and to protect the interconnection Facilities and the Company's System from all loss or damage which could result from operation in parallel with the Company's System. The Customer shall be responsible for any costs incurred by the Company pursuant to the South Carolina Generator Interconnection Procedures.

ADDITIONAL INTERCONNECTION FACILITIES OR SYSTEM UPGRADES

The Company reserves the right to require additional Interconnection Facilities or System Upgrades, furnished, installed, owned and maintained by the Company, at the Customer's expense, if the Customer's Generating Facility, despite compliance with the South Carolina Generator Interconnection Procedures, causes safety, reliability, or power quality problems.

**Utility's Description of its Upgrades
and Best Estimate of Upgrade Costs**

1. Network Upgrades

The Company shall furnish, install, own and maintain **Network Upgrades** to permit parallel operation of the Customer's Interconnection Facilities with the Company's System as specified in the Facilities Study Report and subsequent amendments. The costs below reflect that third party communications will be used for the communications scheme and that the Company will not upgrade the ABC XYZ XXXkV line to accommodate OPGW on the line structures.

Commented [RMC2]: Important for Telecoms issues

2. Contingencies

The Company's obligation to provide Network Upgrades is contingent on the Customer utilizing the equipment specified in this Agreement, including that equipment specified in Section 2 above. Changes to such equipment may impact the scope, cost and timelines in the Agreement.

Changes in the Customer's equipment or design shall be evaluated under the provisions for Modifications in the North Carolina Interconnection Procedures.

Providing Network Upgrades for the Customer is not contingent on the prior installation of any Network Upgrades for any other generating facility, load customer or Company system improvement project.

Providing Network Upgrades is contingent on the Customer providing roads, acceptable to the Company, for the purpose of accessing the Company's facilities on the Customer's project site.

3. a) Distribution Upgrades Required

b) Network Upgrades Required

4. Upgrade Charge

Estimated Cost of Transmission Upgrades amount to be paid to Duke Energy by Interconnection Customer prior to start of the Transmission system upgrades.

Note: Upgrades are handled separately from Interconnection Facilities which are described in Appendix 2.

VI.
Continue Discussion
Regarding Tryon Bay
Project Request

LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: September 24, 2025

SUBJECT: Tryon Bay Project Request

AGENDA INFORMATION:

Agenda Location:

Item Number: VII

Department:

Contact: Olivia Stewman, Town Manager

Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

Continuation of the request from August 12, 2025. Mr. Deese is also requesting to modify the 15 foot from lakes edges to 24 feet from lakes edge. Previous explanation is below with ordinances relevant to the permitting.

Mr. Deese has submitted permit applications for development authorization at 441 & 429 Tryon Bay Circle. The proposed development encompasses two parcels directly adjacent to the Tryon Bay Bridge along Memorial Highway and property across the existing roadway.

Presently, the applicant is proposing a significant modification/re-route for Tryon Bay Circle. This re-route/modification requires town council's approval prior to administrative approval.

Relevant Town Ordinances:

Sec. 26-1. - Construction of public and private streets; acceptance by council.

- (a) All public and private streets (see section 28-6 for definitions) constructed in the town shall meet the development standards set forth in section 28-105.
- (b) Before any new street offered for dedication to the town is accepted as such and officially recognized as a town-maintained street, the council must give its approval, finding that the street complies with engineering standards set by the council

Sec. 26-2. - Excavations—Permit required.

- No person shall make any excavation or opening or dig any ditch, trench, tunnel, or hole in, along, across, or under any street, sidewalk, or other public place for the purpose of laying or placing therein any pipe, wires, or poles or for any other purposes unless a written permit therefor has been issued by some officer of the town vested with proper authority.

Sec. 26-5. - Excavations—Leaving unprotected.

- It shall be unlawful for any person, firm, or corporation who obtains a permit under the sections of this chapter to do any excavation of any kind which may

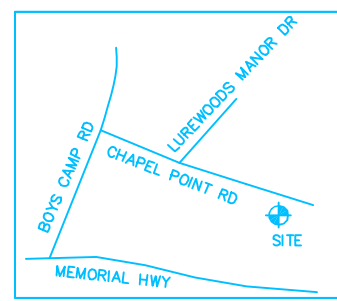
create or cause a dangerous condition in or near any street, alley, sidewalk, or public place of the town without placing and maintaining proper guard rails three feet from the ground and signal lights or other warnings at, in or around the same, sufficient to warn the public of the excavation or work, and to protect all persons using reasonable care from injuries on account of the excavation or work.

STAFF'S COMMENTS AND RECOMMENDATIONS FROM AUGUST 12, 2025:

Staff reviewed the applicant's submittal and issued review comments on 07/23/2025. At the time of writing this report, the applicant has not submitted the necessary revisions and additional documentation. Based on this initial analysis, staff are concerned the applicant has not supplied adequate information to make a decision regarding development authorization.

Staff concerns regarding road modification:

- Applicant has submitted conflicting surveys regarding the town roadway.
- The applicant has submitted insufficient plans for staff to make an informed decision on road modification.
 - Submitted plans indicate a retaining wall will be utilized to stabilize a steep slope after road re-location.
 - Plans indicate max wall height is 4'. Staff do not believe this is accurate as the embankment being cut is taller than 4'.
 - Plans indicate the finished grade beyond the new wall is approximately 2:1. Staff do not believe this is possible due to terrain and utilities.
 - Erosion control plans for the proposed modification have not been submitted.
 - Full building plans have not been submitted.
 - Engineered plans for the new road have not been submitted.
 - A geotechnical analysis of the upland slope has not been submitted.



VICINITY MAP
(not to scale)

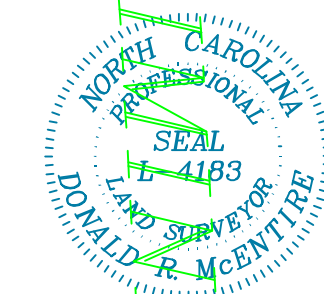
I, Donald R. McEntire, Professional Land Surveyor No. L-4183, certify to one or more of the following as indicated thus, ☒ or ☐:

- ☐ A. That this plot is of a survey that creates a subdivision of land within the area of a county or municipality that has an ordinance that regulates parcels of land;
- ☐ B. That the survey is located in a portion of a county or municipality that is unregulated as to an ordinance that regulates parcels of land;
- ☒ C. That this plot is of a survey of an existing parcel or parcels of land;
- ☐ D. That the survey is of another category, such as the recombination of existing parcels, a court-ordered survey, or other exception to the definition of subdivision;
- ☐ E. That the information available to the surveyor is such that the surveyor is unable to make a determination to the best of the surveyor's professional ability as to provisions contained in (A) through (D) above.

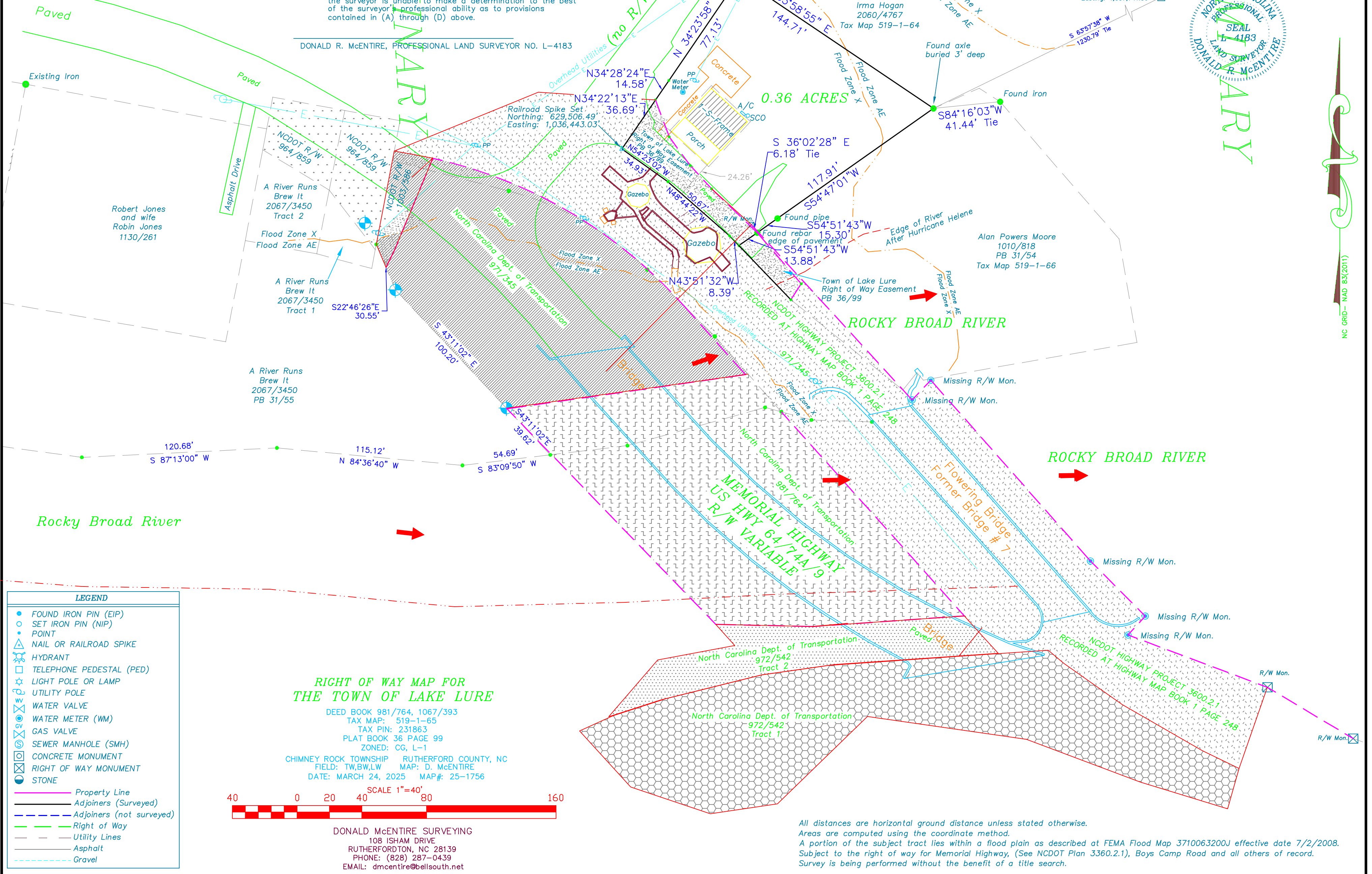
DONALD R. McENTIRE, PROFESSIONAL LAND SURVEYOR NO. L-4183

I, Donald R. McEntire, certify that this plot was drawn under my supervision from an actual survey made under my supervision (deed description recorded in Deed Book 652, Page 293); that the boundaries not surveyed are clearly indicated as drawn from information found in Book ---, Page ---; that the ratio of precision as calculated is 1:10000; that this plot was prepared in accordance with G.S. 47-30 as amended. Witness my hand and seal this 11th day of March A.D. 2025.

Signature _____
Land Surveyor
License Number L-4183



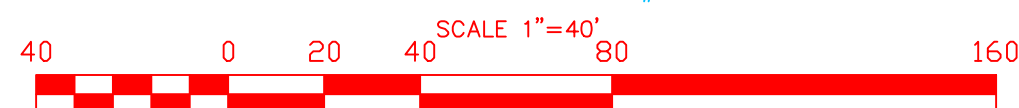
NC GRID - NAD 83 (2011)



**RIGHT OF WAY MAP FOR
THE TOWN OF LAKE LURE**

DEED BOOK 981/764, 1067/393
TAX MAP: 519-1-65
TAX PIN: 231863
PLAT BOOK 36 PAGE 99
ZONED: CG, L-1

CHIMNEY ROCK TOWNSHIP RUTHERFORD COUNTY, NC
FIELD: TW,BW,LW MAP: D. McENTIRE
DATE: MARCH 24, 2025 MAP#: 25-1756



DONALD McENTIRE SURVEYING
108 ISHAM DRIVE
RUTHERFORDTON, NC 28139
PHONE: (828) 287-0439
EMAIL: dmcentire@bellsouth.net

All distances are horizontal ground distance unless stated otherwise.
Areas are computed using the coordinate method.
A portion of the subject tract lies within a flood plain as described at FEMA Flood Map 3710063200J effective date 7/2/2008.
Subject to the right of way for Memorial Highway, (See NCDOT Plan 3360.2.1), Boys Camp Road and all others of record.
Survey is being performed without the benefit of a title search.

VII.

Hager Strategic Solution Updates

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: September 24, 2025**

SUBJECT: Hager Strategic Solutions Updates

AGENDA INFORMATION:

Item Number: VII
Department: Administration
Contact: Mike Hager, Lobbyist
Presenter: Mike Hager, Lobbyist

BRIEF SUMMARY:

The Town works with Mike Hager of Hager Strategic Solutions for lobbyist services. Mr. Hager will provide a legislative update.

VIII.

Storm Recovery Updates

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: September 24, 2025**

SUBJECT: Storm Recovery Updates

AGENDA INFORMATION:

Item Number: VIII
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

Town staff will provide updates related to storm recovery. Frequent updates can be accessed on the Town's website at <https://www.townoflakelure.com>.

IX.

Town Manger/ Project Updates

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: September 25, 2025**

SUBJECT: Town Manager/Project Updates

AGENDA INFORMATION:

Item Number: IX
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

Town Manager Olivia Stewman will provide Council with project and any other updates that are not included on the meeting agenda. Council will also have the opportunity to ask any questions.

ATTACHMENT(S):

July Town Manager/Project Updates

September Work Session and Action Meeting Town Manager/Project Updates

Dam:

Schnabel has completed the field investigation supporting the new dam including the geotechnical data report and design considerations memo. We anticipate receiving the FY22 grant contract for the 30% design of the new dam very soon as all invoices have been submitted and the project has been closed out.

Sewer:

DEQ has issued final approval for the amendment to the ER/EID for the sewer replacement project, and the Town continues to pursue funding through DEQ, EPA, EDA, and FEMA to advance the replacement.

The West End Sewer Restoration Project remains in progress, with service fully restored to 13 customers. The Town has now received the encroachment agreement from NCDOT needed to continue the gravity line along Memorial Highway. The current delay is due to lead times on manhole delivery, which are expected in 2–3 weeks. Once received, work will resume immediately and is anticipated to take about one week to complete, restoring service to all customers.

Cell Tower:

Tower installation is underway and it is scheduled to be upright by November 28th. AT&T will install antennas first, followed by Verizon and T-Mobile.

Marina Replacement:

Town staff issued an RFP for replacement Marina in anticipation of FEMA project funding obligation. Sealed packages must be submitted to the Town by October 23rd at 1:00 PM.

Microsoft 365 Migration

The Town has successfully migrated to Microsoft 365.

Sewer AIA

NCDEQ has reviewed the Town's proposed Sewer AIA. To complete the project, a formal resolution certifying that Town Council accepts, adopts, and/or will implement the project recommendations is required. LaBella is currently preparing their formal recommendations. The recommendations and related resolution should be available by the regular October meeting.

X.

PUBLIC COMMENT

The public is invited to speak. Please keep comments limited to three minutes or less. Comments may also be submitted in writing to the Town Clerk, ewillette@townoflakelure.com, at least one hour prior to the meeting.

XI.

CLOSED SESSION

In accordance with G.S. 143-318.11 (a) (5) for the purpose of discussing property acquisition.

XII.

ADJOURNMENT